

## **Systemx Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2024 and 2023 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Systex Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Systex Corporation and its subsidiaries (collectively, the “Group”) as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2024 and 2023, the combined total assets of these subsidiaries were \$12,765,423 thousand and \$8,535,676 thousand, representing 36.49% and 29.20%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were \$4,463,484 thousand and \$4,065,362 thousand, representing 28.31% and 28.13%, respectively, of the consolidated total liabilities. For the three months ended September 30, 2024 and 2023, the amounts of combined total comprehensive income of these subsidiaries were \$90,850 thousand and \$154,447 thousand, representing 27.59% and 34.03%, respectively, of the consolidated total comprehensive income, and for the nine months ended September 30, 2024 and 2023, the amounts of combined total comprehensive income of these subsidiaries were \$351,893 thousand and \$418,831 thousand, representing 18.83% and 29.29%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 14 to the consolidated financial statements, as of September 30, 2024 and 2023, the investments accounted for using the

equity method of the Group were \$2,316,716 thousand and \$1,968,902 thousand, respectively; for the three months ended September 30, 2024 and 2023, the amounts of the share in total comprehensive (loss) income recognized were \$(4,210) thousand and \$15,862 thousand, respectively, and for the nine months ended September 30, 2024 and 2023, the amounts of the share in total comprehensive income recognized were \$249,859 thousand and \$92,883 thousand, respectively; such amounts were based on the investees' unreviewed financial statements for the same reporting periods. The related information on investments in subsidiaries and associates stated above, as shown in Note 35 to the consolidated financial statements, was also unreviewed.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Shiow-Ming Shue and Yu-Hong Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 6, 2024

### **Notice to Readers**

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

# SYSTEX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2024		December 31, 2023		September 30, 2023	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 4,609,708	13	\$ 7,110,063	23	\$ 5,687,493	20
Financial assets at fair value through profit or loss - current (Note 7)	6,963,929	20	615,617	2	593,603	2
Financial assets at amortized cost - current (Note 9)	-	-	857,010	3	900,690	3
Notes receivable, net (Notes 11 and 21)	108,808	-	181,924	1	98,446	1
Accounts receivable, net (Notes 11, 21 and 30)	5,774,718	17	6,086,713	20	5,500,972	19
Other receivables	103,666	-	162,412	1	84,788	-
Inventories (Note 12)	5,251,245	15	4,574,403	15	5,261,924	18
Prepayments	1,790,386	5	1,789,919	6	1,812,289	6
Other financial assets - current (Notes 31 and 32)	482,252	2	394,958	1	344,660	1
Refundable deposits - current	412,441	1	409,636	1	355,340	1
Other current assets (Note 30)	<u>100,058</u>	<u>-</u>	<u>43,870</u>	<u>-</u>	<u>88,675</u>	<u>-</u>
Total current assets	<u>25,597,211</u>	<u>73</u>	<u>22,226,525</u>	<u>73</u>	<u>20,728,880</u>	<u>71</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	2,590,442	7	2,093,460	7	2,067,686	7
Financial assets at fair value through other comprehensive income - non-current (Note 8)	269,991	1	278,609	1	353,539	1
Financial assets at amortized cost - non-current (Notes 9 and 10)	500,000	1	500,000	2	500,000	2
Investments accounted for using the equity method (Note 14)	2,316,716	7	1,931,122	6	1,968,902	7
Property, plant and equipment (Notes 15 and 31)	2,288,475	7	2,219,130	7	2,208,440	7
Right-of-use assets (Note 16)	515,270	2	492,439	2	464,520	2
Intangible assets	369,949	1	261,258	1	299,377	1
Deferred tax assets	39,258	-	49,532	-	58,350	-
Refundable deposits - non-current	294,940	1	305,395	1	306,930	1
Long-term receivables (Note 11)	1,440	-	4,168	-	4,294	-
Other financial assets - non-current (Notes 31 and 32)	88,630	-	91,978	-	102,772	-
Other non-current assets (Note 30)	<u>107,100</u>	<u>-</u>	<u>143,096</u>	<u>-</u>	<u>172,537</u>	<u>1</u>
Total non-current assets	<u>9,382,211</u>	<u>27</u>	<u>8,370,187</u>	<u>27</u>	<u>8,507,347</u>	<u>29</u>
TOTAL	<u>\$ 34,979,422</u>	<u>100</u>	<u>\$ 30,596,712</u>	<u>100</u>	<u>\$ 29,236,227</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Notes 17 and 31)	\$ 2,985,697	9	\$ 2,023,349	7	\$ 2,287,689	8
Contract liabilities (Note 21)	2,303,689	7	2,360,602	8	1,728,844	6
Notes and accounts payable	4,682,674	13	5,470,095	18	4,992,598	17
Payables to related parties (Note 30)	12,831	-	22,306	-	17,149	-
Other payables (Note 30)	1,169,903	3	1,685,052	5	1,159,073	4
Current tax liabilities (Note 4)	418,178	1	220,011	1	200,931	1
Lease liabilities - current (Note 16)	194,886	1	186,758	-	175,797	1
Current portion of long-term borrowings (Notes 17 and 31)	10,169	-	10,103	-	10,068	-
Other current liabilities	<u>407,069</u>	<u>1</u>	<u>294,751</u>	<u>1</u>	<u>371,487</u>	<u>1</u>
Total current liabilities	<u>12,185,096</u>	<u>35</u>	<u>12,273,027</u>	<u>40</u>	<u>10,943,636</u>	<u>38</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 18)	2,997,550	9	2,996,633	10	2,996,328	10
Long-term borrowings (Notes 17 and 31)	104,933	-	94,519	-	97,058	-
Deferred tax liabilities	6,532	-	6,452	-	6,915	-
Lease liabilities - non-current (Note 16)	333,333	1	315,252	1	296,202	1
Investment payable - non-current (Notes 7 and 13)	68,648	-	-	-	-	-
Net defined benefit liabilities - non-current (Note 4)	64,683	-	130,489	1	103,111	-
Other non-current liabilities	<u>8,276</u>	<u>-</u>	<u>7,830</u>	<u>-</u>	<u>7,590</u>	<u>-</u>
Total non-current liabilities	<u>3,583,955</u>	<u>10</u>	<u>3,551,175</u>	<u>12</u>	<u>3,507,204</u>	<u>11</u>
Total liabilities	<u>15,769,051</u>	<u>45</u>	<u>15,824,202</u>	<u>52</u>	<u>14,450,840</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 20 and 25)						
Share capital	<u>2,722,654</u>	<u>8</u>	<u>2,723,033</u>	<u>9</u>	<u>2,723,033</u>	<u>9</u>
Capital surplus	<u>8,691,660</u>	<u>25</u>	<u>6,967,728</u>	<u>23</u>	<u>6,967,728</u>	<u>24</u>
Retained earnings						
Legal reserve	1,836,979	6	1,691,083	6	1,691,083	6
Special reserve	402,170	1	308,123	1	308,123	1
Unappropriated earnings	<u>3,896,359</u>	<u>11</u>	<u>3,976,733</u>	<u>13</u>	<u>3,728,433</u>	<u>13</u>
Total retained earnings	<u>6,135,508</u>	<u>18</u>	<u>5,975,939</u>	<u>20</u>	<u>5,727,639</u>	<u>20</u>
Other equity	<u>(197,479)</u>	<u>(1)</u>	<u>(465,750)</u>	<u>(2)</u>	<u>(244,076)</u>	<u>(1)</u>
Treasury shares	<u>-</u>	<u>-</u>	<u>(928,443)</u>	<u>(3)</u>	<u>(928,443)</u>	<u>(3)</u>
Total equity attributable to owners of the Corporation	17,352,343	50	14,272,507	47	14,245,881	49
NON-CONTROLLING INTERESTS (Notes 20 and 27)	<u>1,858,028</u>	<u>5</u>	<u>500,003</u>	<u>1</u>	<u>539,506</u>	<u>2</u>
Total equity	<u>19,210,371</u>	<u>55</u>	<u>14,772,510</u>	<u>48</u>	<u>14,785,387</u>	<u>51</u>
TOTAL	<u>\$ 34,979,422</u>	<u>100</u>	<u>\$ 30,596,712</u>	<u>100</u>	<u>\$ 29,236,227</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 6, 2024)

# SYSTEX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 21 and 30)								
Sales	\$ 7,209,238	78	\$ 6,480,211	78	\$ 22,404,857	79	\$ 19,553,280	79
Less: Sales returns and allowances	9,687	-	21,584	-	32,068	-	38,411	-
Net sales	7,199,551	78	6,458,627	78	22,372,789	79	19,514,869	79
Service revenue	1,977,689	22	1,822,261	22	5,862,576	21	5,272,005	21
Other operating revenue	25,601	-	18,604	-	62,776	-	72,757	-
Total operating revenue	9,202,841	100	8,299,492	100	28,298,141	100	24,859,631	100
OPERATING COSTS (Notes 12, 22 and 30)								
Cost of goods sold	6,284,132	68	5,653,717	68	19,462,442	69	16,797,572	68
Service costs	1,002,872	11	755,381	9	2,792,424	10	2,321,970	9
Other operating costs	19,310	-	5,611	-	31,447	-	12,302	-
Total operating costs	7,306,314	79	6,414,709	77	22,286,313	79	19,131,844	77
GROSS PROFIT	1,896,527	21	1,884,783	23	6,011,828	21	5,727,787	23
OPERATING EXPENSES (Notes 11, 19, 22, 25 and 30)								
Selling expenses	1,235,600	14	1,225,934	15	3,833,292	13	3,673,412	15
General and administrative expenses	192,375	2	163,792	2	573,238	2	488,747	2
Research and development expenses	175,799	2	181,748	2	510,140	2	415,705	2
Expected credit (gain) loss	(1,686)	-	10,972	-	(20,896)	-	13,550	-
Total operating expenses	1,602,088	18	1,582,446	19	4,895,774	17	4,591,414	19
PROFIT FROM OPERATIONS	294,439	3	302,337	4	1,116,054	4	1,136,373	4
NON-OPERATING INCOME AND EXPENSES								
Share of profit of associates (Note 14)	56,159	1	28,119	-	115,580	1	65,053	-
Interest income	25,793	-	26,282	-	89,423	-	67,083	1
Dividend income	39,414	-	2,186	-	54,455	-	62,202	-
Other income, net	11,289	-	9,720	-	35,245	-	28,189	-
Gain on disposal of investments, net (Note 22)	5,379	-	7,038	-	9,225	-	16,225	-
Foreign exchange gain (loss), net (Note 33)	2,784	-	(373)	-	993	-	(3,700)	-
Gain on financial assets at fair value through profit or loss, net	137,085	2	99,665	1	603,674	2	299,835	1
Interest expense	(26,171)	-	(22,977)	-	(67,070)	-	(61,785)	-
Other expenses	(3,615)	-	(8,947)	-	(9,104)	-	(19,518)	-
Gain (loss) on disposal of property, plant and equipment, net	122	-	(1,451)	-	713	-	(3,912)	-
Total non-operating income and expenses	248,239	3	139,262	1	833,134	3	449,672	2

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# SYSTEX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 542,678	6	\$ 441,599	5	\$ 1,949,188	7	\$ 1,586,045	6
INCOME TAX EXPENSE (Notes 4 and 23)	<u>69,011</u>	<u>1</u>	<u>87,975</u>	<u>1</u>	<u>307,112</u>	<u>1</u>	<u>302,425</u>	<u>1</u>
NET INCOME	<u>473,667</u>	<u>5</u>	<u>353,624</u>	<u>4</u>	<u>1,642,076</u>	<u>6</u>	<u>1,283,620</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX (Note 20)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(12,246)	-	(23,957)	(1)	(14,476)	-	(27,343)	-
Share of other comprehensive (loss) income of associates accounted for using the equity method (Note 14)	<u>(59,729)</u>	<u>-</u>	<u>(16,290)</u>	<u>-</u>	<u>131,224</u>	<u>1</u>	<u>32,431</u>	<u>-</u>
	<u>(71,975)</u>	<u>-</u>	<u>(40,247)</u>	<u>(1)</u>	<u>116,748</u>	<u>1</u>	<u>5,088</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of foreign operations	(71,815)	(1)	136,438	2	107,376	-	146,082	1
Share of other comprehensive (loss) income of associates accounted for using the equity method (Note 14)	<u>(640)</u>	<u>-</u>	<u>4,033</u>	<u>-</u>	<u>3,055</u>	<u>-</u>	<u>(4,601)</u>	<u>-</u>
	<u>(72,455)</u>	<u>(1)</u>	<u>140,471</u>	<u>2</u>	<u>110,431</u>	<u>-</u>	<u>141,481</u>	<u>1</u>
Other comprehensive income for the period, net of income tax	<u>(144,430)</u>	<u>(1)</u>	<u>100,224</u>	<u>1</u>	<u>227,179</u>	<u>1</u>	<u>146,569</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 329,237</u>	<u>4</u>	<u>\$ 453,848</u>	<u>5</u>	<u>\$ 1,869,255</u>	<u>7</u>	<u>\$ 1,430,189</u>	<u>6</u>
NET INCOME								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 454,298	5	\$ 337,046	4	\$ 1,575,070	6	\$ 1,218,745	5
Non-controlling interests	<u>19,369</u>	<u>-</u>	<u>16,578</u>	<u>-</u>	<u>67,006</u>	<u>-</u>	<u>64,875</u>	<u>-</u>
	<u>\$ 473,667</u>	<u>5</u>	<u>\$ 353,624</u>	<u>4</u>	<u>\$ 1,642,076</u>	<u>6</u>	<u>\$ 1,283,620</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 310,144	4	\$ 434,723	5	\$ 1,801,841	7	\$ 1,362,185	6
Non-controlling interests	<u>19,093</u>	<u>-</u>	<u>19,125</u>	<u>-</u>	<u>67,414</u>	<u>-</u>	<u>68,004</u>	<u>-</u>
	<u>\$ 329,237</u>	<u>4</u>	<u>\$ 453,848</u>	<u>5</u>	<u>\$ 1,869,255</u>	<u>7</u>	<u>\$ 1,430,189</u>	<u>6</u>

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## SYSTEX CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 24)								
Basic	\$ 1.79		\$ 1.36		\$ 6.29		\$ 4.91	
Diluted	\$ 1.79		\$ 1.36		\$ 6.28		\$ 4.90	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 6, 2024)

(Concluded)

SYSTEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation												Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Retained Earnings				Exchange Differences on Translation of Foreign Operations	Other Equity		Treasury Shares	Total			
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized (Loss) Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits					
BALANCE AT JANUARY 1, 2023	\$ 2,723,333	\$ 6,874,231	\$ 1,576,153	\$ 729,124	\$ 3,573,220	\$ 5,878,497	\$ (272,123)	\$ (36,000)	\$ (171,334)	\$ (928,443)	\$ 14,068,161	\$ 539,648	\$ 14,607,809	
Appropriation of 2022 earnings														
Legal reserve	-	-	114,930	-	(114,930)	-	-	-	-	-	-	-	-	
Cash dividends - NT\$5 per share	-	-	-	-	(1,361,517)	(1,361,517)	-	-	-	-	(1,361,517)	-	(1,361,517)	
Reversal of special reserve	-	-	-	(421,001)	421,001	-	-	-	-	-	-	-	-	
Share of changes in associates accounted for using the equity method	-	(1,336)	-	-	(9,097)	(9,097)	-	-	-	-	(10,433)	-	(10,433)	
Net profit for the nine months ended September 30, 2023	-	-	-	-	1,218,745	1,218,745	-	-	-	-	1,218,745	64,875	1,283,620	
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	951	951	138,352	4,137	-	-	143,440	3,129	146,569	
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	1,219,696	1,219,696	138,352	4,137	-	-	1,362,185	68,004	1,430,189	
Cash dividends received by subsidiaries from the Corporation	-	107,049	-	-	-	-	-	-	-	-	107,049	-	107,049	
Share of changes in equities of subsidiaries	-	(9,618)	-	-	-	-	-	-	-	-	(9,618)	(20,192)	(29,810)	
Share-based payment transaction - restricted shares for employees	-	(705)	-	-	-	-	-	-	90,759	-	90,054	705	90,759	
Share-based payment transaction - cancellation of restricted shares for employees	(300)	(1,893)	-	-	-	-	-	-	2,193	-	-	-	-	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(48,659)	(48,659)	
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	60	60	-	(60)	-	-	-	-	-	
BALANCE AT SEPTEMBER 30, 2023	<u>\$ 2,723,033</u>	<u>\$ 6,967,728</u>	<u>\$ 1,691,083</u>	<u>\$ 308,123</u>	<u>\$ 3,728,433</u>	<u>\$ 5,727,639</u>	<u>\$ (133,771)</u>	<u>\$ (31,923)</u>	<u>\$ (78,382)</u>	<u>\$ (928,443)</u>	<u>\$ 14,245,881</u>	<u>\$ 539,506</u>	<u>\$ 14,785,387</u>	
BALANCE AT JANUARY 1, 2024	2,723,033	6,967,728	1,691,083	308,123	3,976,733	5,975,939	(300,036)	(102,134)	(63,580)	(928,443)	14,272,507	500,003	14,772,510	
Appropriation of 2023 earnings														
Legal reserve	-	-	145,896	-	(145,896)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	94,047	(94,047)	-	-	-	-	-	-	-	-	
Cash dividends - NT\$5.2 per share	-	-	-	-	(1,415,977)	(1,415,977)	-	-	-	-	(1,415,977)	-	(1,415,977)	
Issuance of employee share options by the subsidiaries	-	15,024	-	-	-	-	-	-	-	-	15,024	18,860	33,884	
Donations from shareholders	-	1,080	-	-	-	-	-	-	-	-	1,080	-	1,080	
Net profit for the nine months ended September 30, 2024	-	-	-	-	1,575,070	1,575,070	-	-	-	-	1,575,070	67,006	1,642,076	
Other comprehensive income for the nine months ended September 30, 2024	-	-	-	-	269	269	110,023	116,479	-	-	226,771	408	227,179	
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	1,575,339	1,575,339	110,023	116,479	-	-	1,801,841	67,414	1,869,255	
Reissuance of treasury shares	-	1,576,601	-	-	-	-	-	-	-	928,443	2,505,044	1,276,391	3,781,435	
Cash dividends received by subsidiaries from the Corporation	-	111,331	-	-	-	-	-	-	-	-	111,331	-	111,331	
Share of changes in equities of subsidiaries and associates	-	22,645	-	-	-	-	-	-	-	-	22,645	(7,544)	15,101	
Share-based payment transactions - restricted shares for employees	-	(356)	-	-	-	-	-	-	38,997	-	38,641	356	38,997	
Share-based payment transaction - cancellation of restricted shares for employees	(379)	(2,393)	-	-	207	207	-	-	2,772	-	207	-	207	
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,548	2,548	
BALANCE AT SEPTEMBER 30, 2024	<u>\$ 2,722,654</u>	<u>\$ 8,691,660</u>	<u>\$ 1,836,979</u>	<u>\$ 402,170</u>	<u>\$ 3,896,359</u>	<u>\$ 6,135,508</u>	<u>\$ (190,013)</u>	<u>\$ 14,345</u>	<u>\$ (21,811)</u>	<u>\$ -</u>	<u>\$ 17,352,343</u>	<u>\$ 1,858,028</u>	<u>\$ 19,210,371</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 6, 2024)



# SYSTEX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,949,188	\$ 1,586,045
Adjustments for:		
Depreciation expense	305,800	263,912
Amortization expense	34,335	46,397
(Reversal of) expected credit loss recognized	(20,896)	13,550
Gain on financial assets at fair value through profit or loss, net	(603,674)	(299,835)
Interest expense	67,070	61,785
Interest income	(89,423)	(67,083)
Dividend income	(54,455)	(62,202)
Compensation costs of share-based payment	72,881	90,759
Share of profit of associates	(115,580)	(65,054)
(Gain) loss on disposal of property, plant and equipment, net	(713)	3,912
Gain on disposal of investment accounted for using the equity method	(9,225)	(16,225)
(Reversal of) write-down of inventories	(19,222)	1,812
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(6,241,714)	3,253,413
Notes receivable	76,092	71,551
Accounts receivable	459,411	702,188
Other receivables	57,793	33,975
Inventories	(678,954)	(497,336)
Prepayments	7,279	(116,345)
Other current assets	(55,216)	(42,857)
Contract liabilities	(56,981)	(709,644)
Notes and accounts payable	(898,487)	(202,481)
Payables to related parties	(11,683)	(6,724)
Other payables	(531,323)	(513,928)
Other current liabilities	105,924	(17,952)
Net defined benefit liabilities	(65,806)	(25,945)
Cash (used in) generated from operations	(6,317,579)	3,485,688
Interest paid	(67,278)	(60,351)
Income tax paid	(285,044)	(276,318)
Net cash (used in) generated from operating activities	(6,669,901)	3,149,019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(1,524)	(11,581)
Disposal of financial assets at fair value through other comprehensive income	-	1,106

(Continued)

# SYSTEX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2024	2023
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	\$ -	\$ 3,720
Acquisition of financial assets at amortized cost	-	(887,524)
Decrease in financial assets at amortized cost	880,814	-
Acquisition of investments accounted for using the equity method	(178,344)	(49,375)
Proceeds from disposal of investments accounted for using the equity method	10,308	34,562
Net cash outflow on acquisition of subsidiaries (Note 26)	(36,725)	-
Payments for property, plant and equipment	(140,287)	(82,085)
Proceeds from disposal of property, plant and equipment	776	496
Decrease (increase) in refundable deposits	15,476	(30,252)
Payments for intangible assets	(26,550)	(12,395)
Decrease in long-term receivables	2,728	2,860
(Increase) decrease in pledged time deposits	(83,946)	113,939
Decrease (increase) in other non-current assets	37,424	(131,193)
Interest received	102,207	69,277
Dividends received	54,455	62,202
Dividends received from associates	<u>39,141</u>	<u>83,605</u>
Net cash generated from (used in) investing activities	<u>675,953</u>	<u>(832,638)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	942,158	425,543
Repayments of long-term borrowings	(8,532)	(7,521)
Increase in guarantee deposits received	172	1,926
Repayment of the principal portion of lease liabilities	(158,248)	(143,081)
Dividends paid	(1,415,770)	(1,361,517)
Proceeds from employee share options	43,307	-
Proceeds from reissuance of treasury shares	3,956,683	-
Acquisition of interests in subsidiaries	-	(29,002)
Changes in non-controlling interests	(44,449)	(48,659)
Cash dividends received by subsidiaries from the Corporation	111,331	107,049
Other financing activities (Note 13)	<u>-</u>	<u>(817)</u>
Net cash generated from (used in) financing activities	<u>3,426,652</u>	<u>(1,056,079)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>66,941</u>	<u>95,813</u>
		(Continued)

# SYSTEX CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

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	For the Nine Months Ended September 30	
	2024	2023
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (2,500,355)	\$ 1,356,115
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>7,110,063</u>	<u>4,331,378</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,609,708</u>	<u>\$ 5,687,493</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 6, 2024)

(Concluded)

# SYSTEX CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Systex Corporation (the “Corporation”) was incorporated on January 7, 1997 under the provision of the Company Act of the Republic of China and other laws and regulations. The Corporation is mainly engaged in sales and leases of computer software and related equipment, transmission and security of value-added network, maintenance of database, and consultation.

The Corporation’s shares have been traded on Emerging Stock Market since April 10, 2002 and Taipei Exchange since January 6, 2003. On December 30, 2010, the Corporation has changed the listing and trading of its shares to the Taiwan Stock Exchange.

The consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as the “Group”) are presented in the Corporation’s functional currency, the New Taiwan dollar.

### 2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on November 6, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the above the standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

- a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

- b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value, contingent consideration arising from business combination, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

See Note 13, Table 9 and Table 10 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Refer to the statements of material accounting judgments and key sources of estimation uncertainty of the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 416	\$ 587	\$ 451
Checking accounts and demand deposits	3,733,501	7,047,280	5,622,502
Cash equivalents			
Time deposits with original maturities of less than 3 months	<u>875,791</u>	<u>62,196</u>	<u>64,540</u>
	<u>\$ 4,609,708</u>	<u>\$ 7,110,063</u>	<u>\$ 5,687,493</u>
Interest rate interval			
Time deposits with original maturities of less than 3 months	4.70%-5.40%	5.10%	5.00%-5.15%

## 7. FINANCIAL INSTRUMENTS AT FVTPL

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Mutual funds	\$ 6,916,677	\$ 575,605	\$ 543,684
Listed shares	47,252	36,412	46,319
Unlisted shares	<u>-</u>	<u>3,600</u>	<u>3,600</u>
	<u>\$ 6,963,929</u>	<u>\$ 615,617</u>	<u>\$ 593,603</u>
<u>Financial assets - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Unlisted shares	\$ 2,387,303	\$ 1,908,977	\$ 1,879,148
Unlisted preferred shares	70,248	74,215	73,987
Others	<u>132,891</u>	<u>110,268</u>	<u>114,551</u>
	<u>\$ 2,590,442</u>	<u>\$ 2,093,460</u>	<u>\$ 2,067,686</u>
<u>Financial liabilities - non-current</u>			
Contingent consideration (Note 26)	<u>\$ 43,827</u>	<u>\$ -</u>	<u>\$ -</u>

## 8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in equity instruments			
Unlisted shares	\$ 231,108	\$ 237,555	\$ 262,285
Listed shares	36,420	39,720	41,220
Unlisted preferred shares	<u>2,463</u>	<u>1,334</u>	<u>50,034</u>
	<u>\$ 269,991</u>	<u>\$ 278,609</u>	<u>\$ 353,539</u>

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ -</u>	<u>\$ 857,010</u>	<u>\$ 900,690</u>
Range of interest rates per annum	-	5.10%-5.15%	5.00%-5.15%
<u>Non-current</u>			
Domestic corporate bonds	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Interest rate	3.5%	3.5%	3.5%

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	September 30, 2024	December 31, 2023	September 30, 2023
Gross carrying amount	\$ 500,000	\$ 500,000	\$ 500,000
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since initial recognition.



The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for Recognizing Expected Credit Losses	Expected Loss Rate	Gross Carrying Amount at		
				September 30, 2024	December 31, 2023	September 30, 2023
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECL	0%	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>

## 11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND LONG-TERM RECEIVABLES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 108,980	\$ 182,096	\$ 98,618
Less: Allowance for doubtful accounts	<u>(172)</u>	<u>(172)</u>	<u>(172)</u>
	<u>\$ 108,808</u>	<u>\$ 181,924</u>	<u>\$ 98,446</u>
Accounts receivable	\$ 5,832,115	\$ 6,192,537	\$ 5,584,915
Less: Allowance for doubtful accounts	<u>(57,397)</u>	<u>(105,824)</u>	<u>(83,943)</u>
	<u>\$ 5,774,718</u>	<u>\$ 6,086,713</u>	<u>\$ 5,500,972</u>
Long-term receivables	\$ 1,482	\$ 4,302	\$ 4,435
Less: Unrealized interest income	<u>(42)</u>	<u>(134)</u>	<u>(141)</u>
	<u>\$ 1,440</u>	<u>\$ 4,168</u>	<u>\$ 4,294</u>

The average credit period of receivables is 60 to 90 days. The Group delegated a department responsible for managing receivables, establishing credit limits, credit approvals and other monitoring procedures to ensure the profitability of the Group.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all receivables. The expected credit losses on receivables are estimated using a provision matrix by reference to the past default records of the debtor, the debtor's current financial position, economic condition of the industry in which the debtor operates, as well as the GDP forecasts and industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables based on the Group's provision matrix.

September 30, 2024

	<b>Not Past Due</b>	<b>Less than 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 270 Days</b>	<b>Over 271 Days</b>	<b>Total</b>
Gross carrying amount	\$ 5,084,452	\$ 665,602	\$ 94,557	\$ 46,593	\$ 49,891	\$ 5,941,095
Loss allowance (Lifetime ECL)	<u>-</u>	<u>(2,911)</u>	<u>(7,574)</u>	<u>(6,456)</u>	<u>(40,628)</u>	<u>(57,569)</u>
Amortized cost	<u>\$ 5,084,452</u>	<u>\$ 662,691</u>	<u>\$ 86,983</u>	<u>\$ 40,137</u>	<u>\$ 9,263</u>	<u>\$ 5,883,526</u>

December 31, 2023

	<b>Not Past Due</b>	<b>Less than 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 270 Days</b>	<b>Over 271 Days</b>	<b>Total</b>
Gross carrying amount	\$ 5,698,581	\$ 389,486	\$ 161,393	\$ 23,602	\$ 101,571	\$ 6,374,633
Loss allowance (Lifetime ECL)	<u>(2,865)</u>	<u>(4,569)</u>	<u>(13,717)</u>	<u>(2,943)</u>	<u>(81,902)</u>	<u>(105,996)</u>
Amortized cost	<u>\$ 5,695,716</u>	<u>\$ 384,917</u>	<u>\$ 147,676</u>	<u>\$ 20,659</u>	<u>\$ 19,669</u>	<u>\$ 6,268,637</u>

September 30, 2023

	<b>Not Past Due</b>	<b>Less than 90 Days</b>	<b>91 to 180 Days</b>	<b>181 to 270 Days</b>	<b>Over 271 Days</b>	<b>Total</b>
Gross carrying amount	\$ 4,800,479	\$ 593,179	\$ 107,907	\$ 93,489	\$ 88,479	\$ 5,683,533
Loss allowance (Lifetime ECL)	<u>(1,204)</u>	<u>(4,708)</u>	<u>(9,627)</u>	<u>(4,464)</u>	<u>(64,112)</u>	<u>(84,115)</u>
Amortized cost	<u>\$ 4,799,275</u>	<u>\$ 588,471</u>	<u>\$ 98,280</u>	<u>\$ 89,025</u>	<u>\$ 24,367</u>	<u>\$ 5,599,418</u>

The movements of the loss allowance of receivable were as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 105,996	\$ 237,110
Written off bad debts recovered	4,158	-
(Reversal of) provision for loss allowance	(20,896)	13,550
Amount written off	(33,594)	(167,426)
Foreign exchange	<u>1,905</u>	<u>881</u>
Balance at September 30	<u>\$ 57,569</u>	<u>\$ 84,115</u>

## 12. INVENTORIES

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Merchandise	\$ 5,233,803	\$ 4,552,981	\$ 5,234,928
Maintenance parts	<u>17,442</u>	<u>21,422</u>	<u>26,996</u>
	<u>\$ 5,251,245</u>	<u>\$ 4,574,403</u>	<u>\$ 5,261,924</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Reversal of (write-down of) inventory (recognized as cost of goods sold)	\$ (3,156)	\$ (1,147)	\$ 19,222	\$ (1,812)

Reversal of (write-down of) inventory is mainly due to the increase (decrease) in net realizable value.

### 13. SUBSIDIARIES

#### Subsidiaries Included in the Consolidated Financial Statements

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
The Corporation	Concord System Management Corporation (CSMC)	Design, assessment and planning of computer system and application software and data-processing system, sale and lease of computer hardware, peripheral equipment and spare parts, and repairs and maintenance services	100.00	100.00	100.00	
The Corporation	System Capital Group, Inc. (SCGI)	Investment activities including financial trust and holding	100.00	100.00	100.00	
The Corporation	Hanmore Investment Corporation (Hanmore)	General investment activities	48.92	48.92	48.92	a.
The Corporation	System Software & Service Corporation (SSSC)	Sale and development of computer software, data-processing services	100.00	100.00	100.00	
The Corporation	Golden Bridge Corporation (GBC)	General investment activities	100.00	100.00	100.00	
The Corporation	Taifon Computer Co., Ltd. (Taifon)	Design of computer hardware and software equipment system, computer room installation, and maintenance, sale, lease and consultation	100.00	100.00	100.00	
The Corporation	Ching Pu Investment Corporation (Ching Pu)	General investment activities	100.00	100.00	100.00	
The Corporation	Kimo.com (BVI) Corporation (Kimo BVI)	Investment activities including financial trust and holding	100.00	100.00	100.00	
The Corporation, Ching Pu and GBC	Syspower Corporation (Syspower)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	87.32	87.32	87.32	b.
The Corporation	System Fintech Corporation (SFC, formerly Nexsys Corporation)	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	63.73	70.00	70.00	c.
The Corporation	System Solutions Corporation (System Solutions)	Design, construction and sale of telecom instrument, electronic calculator and computer	100.00	100.00	100.00	
The Corporation	Naturint Corporation (Naturint)	Installation, sale, information software, data processing and other consultation on computer software and related equipment, network certification and software publication	100.00	100.00	100.00	
The Corporation	E-Service Information Corporation (E-Service)	Information software service, intellectual property rights, printing and data storage media manufacturing and copying	100.00	100.00	100.00	
The Corporation	Taiwan Information Service Technology Co., Ltd. (TIST)	Installation, sale, information software, data processing and other consultation on computer software and related equipment	67.38	67.38	67.38	
The Corporation	UniXecure Corporation (UniXecure)	Design, construction and sale of telecom instrument, electronic calculator and computer	100.00	100.00	100.00	
The Corporation	Docutek Solutions, Inc. (Docutek Solutions)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	54.92	54.92	54.92	f.
The Corporation	MISYS Corporation (MISYS)	Information software service	100.00	100.00	100.00	
The Corporation	System Vietnam Company Limited (SVCL)	Computer programming, software consulting and system consulting services, information technology service activities and other computer-related services, data processing leasing and related activities, management information services	100.00	-	-	d.
GBC	Softmobile Technology Corporation (Softmobile)	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	100.00	100.00	100.00	

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
Ching Pu	Taiwan Electronic Data Processing Corporation (TEDP)	Design, installation, maintenance, lease and consultation on computer software and hardware equipment system, computer room engineering, network equipment system integration, and wholesale and retailing of medical appliances	69.59	69.59	69.59	e.
CSMC	Top Information Technologies Corporation (Top Information)	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	100.00	100.00	100.00	
Docutek Solutions	ANSecurity Inc. (ANSecurity)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	-	100.00	100.00	f.
ANSecurity	Docutek Services Corporation (Docutek Services)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	-	100.00	100.00	f.
Kimo BVI	Systex Information (HK) Corporation (Systex HK)	Sale of computer and peripheral equipment, retailing and processing of information of software	100.00	100.00	100.00	
Kimo BVI	Sysware Shenglong Information Systems Co., Ltd. (Sysware Shenglong)	Design of computer system, information processing service provider, retailing of computer and peripheral equipment	-	-	100.00	g.
Kimo BVI	Systek Information (Shanghai) Corporation (Systek)	Sale of computer and peripheral equipment, retailing and processing of information software	100.00	100.00	100.00	g.
Kimo BVI	Rainbow Tech Information (HK) Corporation (RTIHK)	Sale of computer and peripheral equipment, retailing and processing of information software	92.00	92.00	49.00	h.
Kimo BVI	Systex Solutions (HK) Corporation (SSHK)	Investment activities including financial trust and holding	100.00	100.00	100.00	
Kimo BVI	Gemini Data (Gemini Data)	IT services, software development, wholesale and retail of computers and related equipment, electronic data processing and related services	100.00	100.00	100.00	
Kimo BVI and SCGI	Syscore Corporation (Syscore)	General investment activities	100.00	100.00	100.00	
Syscore	Syslink Corporation (Syslink)	General investment activities	100.00	100.00	100.00	
Syscore	Syslong Corporation (Syslong)	General investment activities	100.00	100.00	100.00	
Syslink	Dawning Technology Inc. (Dawning)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	91.60	91.60	91.60	
Syslink and Syspower	Palsys Digital Technology Corporation (Palsys)	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	79.26	79.26	79.26	i.
Syslink	Syswiser Technology Corporation (Syswiser)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	100.00	100.00	100.00	
Syslink	Caresys Information, Inc. (Caresys)	Software design and data processing, electronic information service industry, wholesale of computers and office machinery, wholesale of software, wholesale of telecommunication equipment, wholesale of electronic materials	70.00	-	-	j.
Syslink and SSSC	Smartsys Technology Corporation (Smartsys)	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	100.00	100.00	100.00	
Systex HK	Systex Group (China) Ltd. (Systex China)	Management consultation, marketing and sale, and capital and operation financial management	100.00	100.00	100.00	
Systex China and Systek	Systex Rainbow Tech Inc. (Systex Rainbow)	Research, development, installation and wholesale of software and hardware technique and internet system	100.00	100.00	100.00	k.
Systex China	Systex Ucom (Shanghai) Information Co., Ltd. (Systex Ucom)	Software design and data processing, retailing and service of software	100.00	100.00	100.00	
Systex Rainbow and Systex Ucom	Systex Rainbow (Shanghai) Tech Inc. (Rainbow Shanghai)	Research, development, installation and wholesale of software and hardware technique and internet system	100.00	100.00	100.00	l.

(Concluded)

- a. The Group holds 48.92% interest in Hanmore. Since the Group is considered to have the practical power to direct the relevant activities of Hanmore, Hanmore is identified as a subsidiary.
- b. Syspower agreed with certain shareholders to buy back its shares in April 2023, which increased the Group's interest in Syspower to 87.32%.
- c. SFC, formerly known as Nexsys Corporation, underwent a registration change and was renamed in December 2023. In addition, SFC issued new shares in May 2024 due to the exercise of employee share options. The Corporation did not subscribe for new shares issued by SFC and reduced its interest in SFC to 63.73%.
- d. SVCL was incorporated in May 2024.

- e. TEDP has been under dissolution and liquidation processes after the approval of shareholders in their meeting in December 2020. As of September 30, 2024 the liquidation procedures have not been completed.
- f. Docutek Solutions, ANSecurity, and Docutek Services completed their merger in September 2024, with Docutek Solutions stands as the surviving entity, while ANSecurity and Docutek Services are designated the dissolved company.
- g. Systek and Sysware Shenglong completed their merger in December 2023. Systek stands as the surviving entity, while Sysware Shenglong Information Systems Co., Ltd. is designated as the dissolved company.
- h. Kimo BVI holds 49% interest in RTIHK. Since the Group is considered to have the practical ability to direct the relevant activities of RTIHK, RTIHK is identified as a subsidiary. Kimo BVI purchased 43% interest of RTIHK from non-controlling shareholders in September 2023 and increased its interest in RTIHK to 92%.
- i. Syspower transferred original 79.26% interest in Palsys to Syslink in March and April 2023; because the transactions under common control are not recognized as disposal gains or losses, but the derived transaction costs of \$817 thousand are adjusted to reduce the relevant capital reserves.
- j. Syslink acquired 70% interest in Caresys in July 2024. Caresys was included in the consolidated financial statements starting from the acquisition date.
- k. In September 2023, Systek transferred all of its interest in Systex Rainbow to Systex China; since the transaction was under common control, no gains or losses were recognized.
- l. Rainbow (Shanghai) was formerly known as Systex Rainbow (Guangzhou) Tech Inc. and was renamed Systex Rainbow (Shanghai) Tech Inc. in March 2023 as a result of the relocation. Systex Rainbow disposed of 40% interest in Rainbow Shanghai to Systex Ucom in November 2023; since the transaction was under common control, no gains or losses were recognized.

All accounts of subsidiaries were included in the consolidated financial statements for the nine months ended September 30, 2024 and 2023.

The financial statements of subsidiaries included in the consolidated financial statements mentioned above were not reviewed except for those of the Corporation, SSSC, SCGI, Kimo BVI and its subsidiaries (Caresys, Palsys and Dawning excluded) for the nine months ended September 30, 2024 and 2023. As of September 30, 2024 and 2023, combined total assets of these subsidiaries were \$12,765,423 thousand and \$8,535,676 thousand, respectively, representing 36.49% and 29.20%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$4,463,484 thousand and \$4,065,362 thousand, respectively, representing 28.31% and 28.13%, respectively, of the consolidated total liabilities. For the three months ended September 30, 2024 and 2023, the amounts of combined total comprehensive income of these subsidiaries were \$90,850 thousand and \$154,447 thousand, representing 27.59% and 34.03%, respectively, of the consolidated total comprehensive income, and for the nine months ended September 30, 2024 and 2023, the amounts of combined total comprehensive income of these subsidiaries were \$351,894 thousand and \$418,831 thousand, representing 18.83% and 29.29%, respectively, of the consolidated total comprehensive income.

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in associates	<u>\$ 2,316,716</u>	<u>\$ 1,931,122</u>	<u>\$ 1,968,902</u>

Aggregate information of associates:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Net profit for the period	\$ 56,159	\$ 28,119	\$ 115,580	\$ 65,053
Other comprehensive (loss) income for the period	<u>(60,369)</u>	<u>(12,257)</u>	<u>134,279</u>	<u>27,830</u>
Total comprehensive (loss) income for the period	<u>\$ (4,210)</u>	<u>\$ 15,862</u>	<u>\$ 249,859</u>	<u>\$ 92,883</u>

Investments accounted for using the equity method and the Group share of profit or loss and other comprehensive income were calculated based on the financial statements that have not been reviewed.

## 15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Computer Equipment	Transportation Equipment	Lease Equipment	Leasehold Improvements	Other Equipment	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 1,016,441	\$ 1,467,117	\$ 405,981	\$ 4,356	\$ 35,066	\$ 116,809	\$ 140,769	\$ 3,186,539
Additions	-	-	56,142	-	-	5,220	20,723	82,085
Disposals	-	-	(56,617)	(2,261)	(1,633)	(22,023)	(16,855)	(99,389)
Reclassification	-	-	8,902	-	23,621	2,163	-	34,686
Foreign exchange	-	5,184	1,202	30	42	282	351	7,091
Balance at September 30, 2023	<u>\$ 1,016,441</u>	<u>\$ 1,472,301</u>	<u>\$ 415,610</u>	<u>\$ 2,125</u>	<u>\$ 57,096</u>	<u>\$ 102,451</u>	<u>\$ 144,988</u>	<u>\$ 3,211,012</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ 7,694	\$ 598,874	\$ 214,530	\$ 3,776	\$ 18,308	\$ 62,337	\$ 68,722	\$ 974,241
Depreciation expense	-	17,362	60,264	222	8,641	15,504	18,213	120,206
Disposals	-	-	(56,006)	(2,261)	(1,633)	(18,526)	(16,555)	(94,981)
Foreign exchange	-	1,623	978	29	42	262	172	3,106
Balance at September 30, 2023	<u>\$ 7,694</u>	<u>\$ 617,859</u>	<u>\$ 219,766</u>	<u>\$ 1,766</u>	<u>\$ 25,358</u>	<u>\$ 59,577</u>	<u>\$ 70,552</u>	<u>\$ 1,002,572</u>
Carrying amount at September 30, 2023	<u>\$ 1,008,747</u>	<u>\$ 854,442</u>	<u>\$ 195,844</u>	<u>\$ 359</u>	<u>\$ 31,738</u>	<u>\$ 42,874</u>	<u>\$ 74,436</u>	<u>\$ 2,208,440</u>
<u>Cost</u>								
Balance at January 1, 2024	\$ 1,016,441	\$ 1,462,603	\$ 422,355	\$ 2,067	\$ 52,910	\$ 103,952	\$ 158,052	\$ 3,218,380
Additions	-	-	63,278	-	10,378	42,406	25,305	141,367
Disposals	-	-	(43,132)	-	(6,856)	(5,705)	(14,617)	(70,310)
Acquisitions through business combinations	-	-	-	-	-	-	1,309	1,309
Reclassification	-	-	6,392	-	6,749	19,347	31,277	63,765
Foreign exchange	-	11,043	1,434	67	-	222	647	13,413
Balance at September 30, 2024	<u>\$ 1,016,441</u>	<u>\$ 1,473,646</u>	<u>\$ 450,327</u>	<u>\$ 2,134</u>	<u>\$ 63,181</u>	<u>\$ 160,222</u>	<u>\$ 201,973</u>	<u>\$ 3,367,924</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ 7,694	\$ 620,579	\$ 219,015	\$ 1,775	\$ 23,545	\$ 57,159	\$ 69,483	\$ 999,250
Depreciation expense	-	17,448	70,142	139	12,534	17,984	26,137	144,384
Disposals	-	-	(43,132)	-	(6,856)	(5,705)	(14,554)	(70,247)
Acquisitions through business combination	-	-	-	-	-	-	980	980
Reclassification	-	-	(129)	-	(24)	-	-	(153)
Foreign exchange	-	3,529	1,106	65	-	219	316	5,235
Balance at September 30, 2024	<u>\$ 7,694</u>	<u>\$ 641,556</u>	<u>\$ 247,002</u>	<u>\$ 1,979</u>	<u>\$ 29,199</u>	<u>\$ 69,657</u>	<u>\$ 82,362</u>	<u>\$ 1,079,449</u>
Carrying amount at December 31, 2023 and January 1, 2024	<u>\$ 1,008,747</u>	<u>\$ 842,024</u>	<u>\$ 203,340</u>	<u>\$ 292</u>	<u>\$ 29,365</u>	<u>\$ 46,793</u>	<u>\$ 88,569</u>	<u>\$ 2,219,130</u>
Carrying amount at September 30, 2024	<u>\$ 1,008,747</u>	<u>\$ 832,090</u>	<u>\$ 203,325</u>	<u>\$ 155</u>	<u>\$ 33,982</u>	<u>\$ 90,565</u>	<u>\$ 119,611</u>	<u>\$ 2,288,475</u>

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	19-60 years
Computer equipment and other equipment	3-7 years
Transportation equipment	5-6 years
Lease equipment and leasehold improvements	2-5 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 31.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Buildings	\$ 419,574	\$ 392,719	\$ 354,285
Machinery	93,569	96,709	106,320
Transportation equipment	<u>2,127</u>	<u>3,011</u>	<u>3,915</u>
	<u>\$ 515,270</u>	<u>\$ 492,439</u>	<u>\$ 464,520</u>
	For the Three Months Ended September 30		For the Nine Months Ended September 30
	2024	2023	2024 2023
Additions to right-of-use assets	<u>\$ 114,788</u>	<u>\$ 65,833</u>	<u>\$ 197,312</u> <u>\$ 308,245</u>
Depreciation charge for right-of-use assets			
Buildings	\$ 44,863	\$ 35,657	\$ 128,833 \$ 108,810
Machinery	11,845	9,676	30,740 31,911
Transportation equipment	<u>552</u>	<u>994</u>	<u>1,843</u> <u>2,985</u>
	<u>\$ 57,260</u>	<u>\$ 46,327</u>	<u>\$ 161,416</u> <u>\$ 143,706</u>

### b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amount</u>			
Current	<u>\$ 194,886</u>	<u>\$ 186,758</u>	<u>\$ 175,797</u>
Non-current	<u>\$ 333,333</u>	<u>\$ 315,252</u>	<u>\$ 296,202</u>

Range of discount rates for lease liabilities was as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Buildings	1.00%-4.50%	1.00%-5.00%	1.00%-5.00%
Machinery	1.00%-1.75%	1.00%-1.25%	1.00%-1.25%
Transportation equipment	1.00%-1.75%	1.00%-1.22%	1.00%-1.22%

c. Material leasing activities and terms

The Group leases buildings for the use of offices and machinery and transportation equipment for the use of operation with lease terms of 1 to 7 years. The Group does not have bargain purchase options to acquire the leasehold buildings and equipment at the end of the lease terms.

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 22,715</u>	<u>\$ 18,241</u>	<u>\$ 49,164</u>	<u>\$ 53,578</u>
Total cash outflow for leases	<u>\$ 79,492</u>	<u>\$ 64,797</u>	<u>\$ 212,296</u>	<u>\$ 199,685</u>

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases which qualify as short-term leases and low-value asset leases.

The amounts of lease commitments for which the recognition exemption was applied were \$6,632 thousand and \$11,905 thousand as of September 30, 2024 and 2023, respectively.

## 17. BANK LOANS

a. Short-term loans

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured loans	\$ 2,310,794	\$ 1,551,070	\$ 1,654,383
Secured loans	<u>674,903</u>	<u>472,279</u>	<u>633,306</u>
	<u>\$ 2,985,697</u>	<u>\$ 2,023,349</u>	<u>\$ 2,287,689</u>
Annual interest rate			
Unsecured loans	1.70%-2.99%	1.60%-3.04%	1.55%-2.93%
Secured loans	3.35%-3.80%	3.55%-3.85%	3.55%-3.85%

Refer to Note 31 for the carrying amounts of property, plant and equipment - land and buildings provided as collaterals for the above secured bank loans.



b. Long-term loans

	September 30, 2024	December 31, 2023	September 30, 2023
Secured loans	\$ 115,102	\$ 104,622	\$ 107,126
Less: Current portion	<u>(10,169)</u>	<u>(10,103)</u>	<u>(10,068)</u>
	<u>\$ 104,933</u>	<u>\$ 94,519</u>	<u>\$ 97,058</u>
Annual interest rate	0.50%-2.56%	2.03%-2.43%	2.03%-2.43%

Refer to Note 31 for the carrying amounts of property, plant and equipment - land and buildings provided as collaterals for the above secured bank loans.

## 18. BONDS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Unsecured domestic bonds	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Less: Discount on bonds payable	<u>(2,450)</u>	<u>(3,367)</u>	<u>(3,672)</u>
	<u>\$ 2,997,550</u>	<u>\$ 2,996,633</u>	<u>\$ 2,996,328</u>

In September 2021, the Corporation issued 3,000 units (each unit at par value of \$1,000 thousand), 0.82% NTD-denominated unsecured bonds, in an aggregate principal amount of \$3,000,000 thousand. The five-year bonds will mature in September 2026. Interest is paid annually, and the principal will be repaid in full on the maturity date. The funds raised by the issuance of bonds were used to repay the bank loan and replenish the working capital.

## 19. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were \$553 thousand, \$648 thousand, \$6,657 thousand and \$1,891 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

## 20. EQUITY

a. Share capital

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Share capital authorized (par value of \$10 per share)	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>
Number of shares issued (in thousands)	<u>272,265</u>	<u>272,303</u>	<u>272,303</u>
Share capital issued	<u>\$ 2,722,654</u>	<u>\$ 2,723,033</u>	<u>\$ 2,723,033</u>

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
May be used to offset a deficit, distribute as cash dividends, or <u>transfer to share capital (1)</u>			
Issuance of shares	\$ 4,548,396	\$ 4,486,567	\$ 4,486,567
The difference between the consideration paid or received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	193,977	193,977	193,977
Donations from shareholders	1,624	544	544
Treasury share transactions	3,847,044	2,159,112	2,159,111
<u>May only be used to offset a deficit</u>			
Changes in ownership interest in subsidiaries and associates (2)	30,169	9	10
Gain on sale of property, plant and equipment	4,493	4,493	4,493
<u>May not be used for any purpose</u>			
Employee restricted shares	<u>65,957</u>	<u>123,026</u>	<u>123,026</u>
	<u>\$ 8,691,660</u>	<u>\$ 6,967,728</u>	<u>\$ 6,967,728</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interest in subsidiary resulted from equity transactions other than actual disposal on acquisition, or from changes in capital surplus of subsidiaries and associates accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the Corporation's Articles of Incorporation ("Articles"), where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders, except that the board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting.

For the policies on distribution of compensation of employees and remuneration of directors, please refer to Note 22 c. for details.

For the goal of sustainable operation and development, the Corporation considers the overall environment and the nature of industry growth along with the long-term financial planning and applies the dividend policy for residual earnings. The Corporation evaluates the annual funding requirements according to its future capital budget and retains the required fund from the earnings, and distributes the residual earnings as follows:

- 1) Determine the optimal capital budget.
- 2) Determine the funding requirements to meet the optimal capital budget.
- 3) Determine the funding requirements to be met by unappropriated earnings (the remaining may be met through capital increase by cash or issuance of bonds).
- 4) The residual earnings, less an appropriate portion for the operation requirements, may be distributed to shareholders.

The Corporation's dividends may be distributed in cash or shares. The distribution of profits shall be made preferably by way of cash dividends. The distribution could also be made by way of stock dividends, which should not exceed 50% of the total distributed earnings in principle. In addition, dividend policy depends on criteria such as the Corporation's current and future investment environment, cash requirements, domestic and international competition, capital budget, etc. Further, the Corporation also takes into consideration shareholders' interests, balances of dividends and its long-term financial goals. Annually, the board of directors prepares a proposal on earnings appropriation for approval at the shareholders' meeting.

For the distribution of dividends, if the distribution is in cash, the board of directors shall be authorized to resolve the proposal by the vote of at least half of the directors present, provided the number of directors present shall be at least two-thirds of the entire board of directors, and report the distribution to the shareholders' meeting. The Corporation may distribute all or part of the reserve in accordance with laws or the regulations of the competent authority. If it is distributed in cash, the Corporation authorizes the board of directors to make resolutions in accordance with Article 241 of the Company Act and report to the shareholders' meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under the local regulations, an amount equals to the net debit balance of total other equity items shall be appropriated as a special reserve. The special reserve may be reversed to the extent of the decrease in the net debit balance.

If the Corporation's shares are held by its subsidiaries at the end of the year and the market value of the shares held are lower than their carrying amounts, the Corporation should appropriate a special reserve equal to the difference between the carrying amounts and market value multiplied by its percentages of ownership in the subsidiaries. The special reserve can be reversed in proportion to the percentages of ownership in the subsidiaries when the market value of the shares increased.

The appropriations of earnings for 2023 and 2022, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Legal reserve	\$ <u>145,896</u>	\$ <u>114,930</u>
Appropriation (reversal) of special reserve	\$ <u>94,047</u>	\$ <u>(421,001)</u>
Cash dividends	\$ <u>1,415,977</u>	\$ <u>1,361,517</u>
Cash dividends per share (NT\$)	\$ <u>5.2</u>	\$ <u>5.0</u>

The above cash dividends were approved by the board of directors on April 10, 2024 and April 12, 2023, respectively, and the remaining appropriations of earnings were approved by the shareholders in their meetings on May 29, 2024 and May 25, 2023, respectively.

Information about the appropriations of earnings and distribution of capital surplus are available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Other equity items

1) Exchange differences on translation of foreign operations

	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (300,036)	\$ (272,123)
Exchange differences on translation of foreign operations	106,968	142,953
Share of associates accounted for using the equity method	<u>3,055</u>	<u>(4,601)</u>
Balance at September 30	\$ <u>(190,013)</u>	\$ <u>(133,771)</u>

2) Unrealized (loss) gain on financial assets at FVTOCI

	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (102,134)	\$ (36,000)
Recognized for the period		
Unrealized loss on equity investments	(14,476)	(27,343)
Share of associates accounted for using the equity method	130,955	31,480
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(60)</u>
Balance at September 30	\$ <u>14,345</u>	\$ <u>(31,923)</u>

3) Unearned employee benefits

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (63,580)	\$ (171,334)
Cancellation of shares	2,772	2,193
Share-based payment expenses recognized	<u>38,997</u>	<u>90,759</u>
Balance at September 30	<u>\$ (21,811)</u>	<u>\$ (78,382)</u>

Please refer to Note 25 for the issuance of restricted shares for employees.

e. Treasury shares

<b>Purpose of Treasury Share</b>	<b>Number of Shares at January 1</b>	<b>Increase During the Period</b>	<b>Decrease During the Period</b>	<b>Number of Shares at September 30</b>
<u>2024</u>				
Reclassification of the Corporation's shares held by subsidiaries from equity-method investments into treasury shares (in thousands)	<u>21,410</u>	<u>-</u>	<u>21,410</u>	<u>-</u>
<u>2023</u>				
Reclassification of the Corporation's shares held by subsidiaries from equity-method investments into treasury shares (in thousands)	<u>21,410</u>	<u>-</u>	<u>-</u>	<u>21,410</u>

The Corporation's shares held by subsidiaries at the end of reporting period were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Hanmore</u>			
Share (in thousands)	<u>-</u>	<u>21,317</u>	<u>21,317</u>
Investment cost	<u>\$ -</u>	<u>\$ 738,426</u>	<u>\$ 738,426</u>
Market value	<u>\$ -</u>	<u>\$ 2,387,468</u>	<u>\$ 2,259,568</u>
<u>Ching Pu</u>			
Share (in thousands)	<u>-</u>	<u>10,982</u>	<u>10,982</u>
Investment cost	<u>\$ -</u>	<u>\$ 237,308</u>	<u>\$ 237,308</u>
Market value	<u>\$ -</u>	<u>\$ 1,229,925</u>	<u>\$ 1,164,036</u>

For the Corporation's shares held by Hanmore, the investment cost of 48.92% (the ownership percentage owned by the Corporation) was transferred from investment accounted for using the equity method to treasury shares, amounting to \$515,617 thousand (10,428 thousand shares) as of December 31, 2023 and September 30, 2023. The remaining was treated as recoveries from Hanmore's non-controlling interests, which were accounted for as deductions to non-controlling interests in balance sheets.

The Corporation's shares held by its subsidiaries are recorded as treasury shares, with the subsidiaries having the same rights as other common shareholders on these shares, except that the subsidiaries which are owned by the parent company for over 50% will not have the right to participate in any share issuance for cash or to vote.

In September 2024, Hanmore and Ching Pu sold all of their shares of the Corporation to Taiwan Mobile Co., Ltd., with the sale proceeds amounting to \$2,611,398 thousand and \$1,345,285 thousand, respectively.

f. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 500,003	\$ 539,648
Attributable to non-controlling interests:		
Share of profit for the period	67,006	64,875
Exchange differences on translation of foreign operations	408	3,129
Non-controlling interests arising from acquisition of subsidiaries (Note 26)	21,176	-
Equity transactions with non-controlling interests (Note 27)	38,243	(20,466)
Changes in percentage of ownership interest in subsidiaries	(7,544)	274
Cash dividends distributed by subsidiaries	(101,068)	(103,101)
Cash dividends distributed for non-controlling interests of Hanmore	56,619	54,442
Non-controlling interests related to recognition of share-based payment transactions by subsidiaries (Note 25)	6,794	705
Disposal of the Corporation's shares held by subsidiaries (Hanmore)	<u>1,276,391</u>	<u>-</u>
Balance at September 30	<u>\$ 1,858,028</u>	<u>\$ 539,506</u>

## 21. REVENUE

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 7,199,551	\$ 6,458,627	\$ 22,372,789	\$ 19,514,869
Revenue from the rendering of services	1,977,689	1,822,261	5,862,576	5,272,005
Other operating revenue	<u>25,601</u>	<u>18,604</u>	<u>62,776</u>	<u>72,757</u>
	<u>\$ 9,202,841</u>	<u>\$ 8,299,492</u>	<u>\$ 28,298,141</u>	<u>\$ 24,859,631</u>

## Contract Balances

	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts receivable (including related parties) (Notes 11 and 30)	<u>\$ 5,883,526</u>	<u>\$ 6,268,637</u>	<u>\$ 5,599,418</u>
Contract liabilities	<u>\$ 2,303,689</u>	<u>\$ 2,360,602</u>	<u>\$ 1,728,844</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

## 22. NET PROFIT

### a. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Property, plant and equipment	\$ 51,025	\$ 40,783	\$ 144,384	\$ 120,206
Right-of-use assets	57,260	46,327	161,416	143,706
Intangible assets	<u>12,088</u>	<u>15,478</u>	<u>34,335</u>	<u>46,397</u>
	<u>\$ 120,373</u>	<u>\$ 102,588</u>	<u>\$ 340,135</u>	<u>\$ 310,309</u>
An analysis of depreciation by function				
Operating costs	\$ 26,897	\$ 22,845	\$ 74,658	\$ 70,348
Operating expenses	<u>81,388</u>	<u>64,265</u>	<u>231,142</u>	<u>193,564</u>
	<u>\$ 108,285</u>	<u>\$ 87,110</u>	<u>\$ 305,800</u>	<u>\$ 263,912</u>
An analysis of amortization by function				
Operating costs	\$ -	\$ 21	\$ 7	\$ 97
Operating expenses	<u>12,088</u>	<u>15,457</u>	<u>34,328</u>	<u>46,300</u>
	<u>\$ 12,088</u>	<u>\$ 15,478</u>	<u>\$ 34,335</u>	<u>\$ 46,397</u>

b. Employee benefits expenses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Post-employment benefits				
Defined contribution plans	\$ 60,629	\$ 56,612	\$ 177,133	\$ 157,724
Defined benefit plans (Note 19)	<u>553</u>	<u>648</u>	<u>6,657</u>	<u>1,891</u>
	61,182	57,260	183,790	159,615
Compensation costs of share-based payment	7,844	26,501	72,881	90,759
Payroll	1,126,505	1,069,666	3,451,476	3,203,926
Labor and health insurance	95,668	90,774	294,093	270,804
Other employee benefits	<u>50,682</u>	<u>39,912</u>	<u>193,401</u>	<u>142,571</u>
	<u>\$ 1,341,881</u>	<u>\$ 1,284,113</u>	<u>\$ 4,195,641</u>	<u>\$ 3,867,675</u>
An analysis of employee benefits expenses by function				
Operating costs	\$ 135,250	\$ 44,483	\$ 286,749	\$ 187,336
Operating expenses	<u>1,206,631</u>	<u>1,239,630</u>	<u>3,908,892</u>	<u>3,680,339</u>
	<u>\$ 1,341,881</u>	<u>\$ 1,284,113</u>	<u>\$ 4,195,641</u>	<u>\$ 3,867,675</u>

As of September 30, 2024 and 2023, the Group had 4,615 and 4,467 employees, respectively.

c. Compensation of employees and remuneration of directors

The Corporation accrues compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The estimated amounts of compensation of employees and remuneration of directors for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>	<b>Cash</b>
Compensation of employees	<u>\$ 10,844</u>	<u>\$ 11,235</u>	<u>\$ 47,384</u>	<u>\$ 40,555</u>
Remuneration of directors	<u>\$ 7,229</u>	<u>\$ 7,490</u>	<u>\$ 31,589</u>	<u>\$ 27,037</u>

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Corporation's board of directors on February 27, 2024 and February 22, 2023, respectively, were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	<u>\$ 48,122</u>	<u>\$ 34,578</u>
Remuneration of directors	<u>\$ 32,081</u>	<u>\$ 23,052</u>



If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

d. Gain on sale of investments, net

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Disposal of investments accounted for using the equity method	<u>\$ 5,379</u>	<u>\$ 7,038</u>	<u>\$ 9,225</u>	<u>\$ 16,225</u>

## 23. INCOME TAXES

a. The main components of tax expenses recognized in profit or loss were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax				
In respect of the current period	\$ 68,472	\$ 87,311	\$ 259,750	\$ 281,255
Additional income tax on unappropriated earnings	972	(2)	26,397	6,210
Additional income tax under the Alternative Minimum Tax Act	-	4,986	-	20,049
Adjustments for prior years	<u>(664)</u>	<u>(4,440)</u>	<u>9,758</u>	<u>(9,570)</u>
	<u>68,780</u>	<u>87,855</u>	<u>295,905</u>	<u>297,944</u>
Deferred tax				
In respect of the current period	<u>231</u>	<u>120</u>	<u>11,207</u>	<u>4,481</u>
Income tax expense recognized in profit or loss	<u>\$ 69,011</u>	<u>\$ 87,975</u>	<u>\$ 307,112</u>	<u>\$ 302,425</u>

b. Income tax recognized directly in equity

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Current tax				
Disposal of treasury share transactions	<u>\$ 175,248</u>	<u>\$ -</u>	<u>\$ 175,248</u>	<u>\$ -</u>

c. Income tax assessments

Income tax returns through 2020 and undistributed earnings through 2019 of TEDP; income tax returns through 2021 and undistributed earnings through 2020 of Dawning; and income tax returns through 2022 and undistributed earnings through 2021 of the Corporation, SSSC, SFC, Ching Pu, Syslink, Smartsys, Syspower, Syslong, Syscore, Taifon, CSMC, MISYS, Softmobile, Systex Solutions, TIST, UniXecure, Syswiser, Palsys, Hanmore, GBC, Naturint, Top Information, E-service, Docutek Solutions, ANSecurity, Docutek Services and Caresys have been assessed by the tax authorities.

## 24. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<u>Net income for the period</u>				
Net income for the period attributable to owners of the Corporation	<u>\$ 454,298</u>	<u>\$ 337,046</u>	<u>\$ 1,575,070</u>	<u>\$ 1,218,745</u>
<u>Number of shares (in thousands)</u>				
Weighted average number of ordinary shares in the computation of basic earnings per share	253,415	248,092	250,445	248,092
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>373</u>	<u>383</u>	<u>462</u>	<u>471</u>
Weighted average number of ordinary shares in the computation of diluted earnings per share	<u>253,788</u>	<u>248,475</u>	<u>250,907</u>	<u>248,563</u>
<u>Earnings per share (NT\$)</u>				
Basic earnings per share	<u>\$1.79</u>	<u>\$1.36</u>	<u>\$6.29</u>	<u>\$4.91</u>
Diluted earnings per share	<u>\$1.79</u>	<u>\$1.36</u>	<u>\$6.28</u>	<u>\$4.90</u>

The Corporation may settle bonus to employees in cash or shares; therefore, the Corporation assumes the entire amount of the bonus will be settled in shares and the resulting potential shares, if dilutive, will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

The pro-forma net income and earnings per share, assuming the Corporation's share held by subsidiaries were treated as investment instead of treasury shares, were as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<u>Net income for the period</u>				
Net income for the period attributable to owners of the Corporation	<u>\$ 565,629</u>	<u>\$ 444,095</u>	<u>\$ 1,686,401</u>	<u>\$ 1,325,794</u>
<u>Number of shares (in thousands)</u>				
Weighted average number of ordinary shares in the computation of pro forma basic earnings per share	270,636	269,502	270,448	269,502
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>373</u>	<u>383</u>	<u>462</u>	<u>471</u>
Weighted average number of ordinary shares in the computation of pro forma diluted earnings per share	<u>271,009</u>	<u>269,885</u>	<u>270,910</u>	<u>269,973</u>
<u>Earnings per share (NT\$)</u>				
Basic earnings per share	<u>\$2.09</u>	<u>\$1.65</u>	<u>\$6.24</u>	<u>\$4.92</u>
Diluted earnings per share	<u>\$2.09</u>	<u>\$1.65</u>	<u>\$6.22</u>	<u>\$4.91</u>

## 25. SHARE-BASED PAYMENT ARRANGEMENTS

- For the nine months ended September 30, 2024, the Group did not issue restricted shares for employees. Refer to Note 25 to the Corporation's consolidated financial statements for the year ended December 31, 2023 in relation to the information of the restricted share awards plan.
- For the restricted shares for employees issued in September 2022; the vested shares amounted to 1,827 thousand shares, while 1,045 thousand shares were not yet vested as of September 30, 2024.
- In 2024, SFC, a subsidiary of the Corporation granted 2,005 units of employee share options. Each unit can subscribe for 1,000 ordinary shares of SFC. The recipients include employees of the Corporation and SFC who meet certain criteria. The options are vested upon granted and exercisable after the grant date with an exercise price of \$22. The fair value of the options is \$16.9 per share.

d. Compensation costs of share-based payment

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Restricted shares for employees	\$ 38,997	\$ 90,759
Employee share options	<u>33,884</u>	<u>-</u>
	<u>\$ 72,881</u>	<u>\$ 90,759</u>

## 26. BUSINESS COMBINATIONS

a. Subsidiaries acquired

<b>Subsidiary</b>	<b>Principal Activity</b>	<b>Date of Acquisition</b>	<b>Proportion of Voting Equity Interests Acquired (%)</b>
Caresys Information, Inc. (Caresys)	Software design and data processing, electronic information service industry, wholesale of computers and office machinery, wholesale of software, wholesale of telecommunication equipment, wholesale of electronic materials	July 2024	70

Caresys was acquired in order to continue the expansion of the Group's operations.

b. Consideration transferred

	<b>Caresys</b>
Cash	\$ 94,286
Investment payable	24,634
Contingent consideration arrangement (recognized as investment payable)	<u>43,497</u>
	<u>\$ 162,417</u>

The contingent consideration, based on the acquisition agreement, is calculated according to Caresys' net profit performance from 2024 to 2026. On the acquisition date, the fair value of the estimated contingent consideration was \$43,497 thousand.

c. Assets acquired and liabilities assumed at the date of acquisition

	<b>Caresys</b>
Current assets	
Cash and cash equivalents	\$ 57,561
Accounts receivable	62,874
Inventories	30,225
Other current assets	176
Non-current assets	
Property, plant and equipment	329
Intangible assets	37,238
Refundable deposits - non-current	7,730
Current liabilities	
Accounts payable	59,862
Other payables and other current liabilities	10,755
Non-current liabilities	
Long-term loans	19,012
Other non-current liabilities	<u>24</u>
	<u>\$ 106,480</u>

d. Goodwill recognized on acquisitions

	<b>Docutek Solutions</b>
Consideration transferred	\$ 162,417
Add: Non-controlling interests	21,176
Less: Fair value of identifiable net assets acquired	<u>(106,480)</u>
Goodwill recognized on acquisitions	<u>\$ 77,113</u>

e. Net cash outflow on the acquisition of subsidiaries

	<b>Docutek Solutions</b>
Cash and cash equivalent acquired	\$ 57,561
Less: Consideration paid in cash	<u>94,286</u>
	<u>\$ (36,725)</u>

f. Impact of acquisitions on the results of the Group

As of the date the consolidated financial statements were authorized for issue, the financial results of the acquirees since the acquisition dates have no significant impact on the results of the Group.

## 27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- a. As described in Note 13b, Syspower agreed with certain shareholders to buy back its shares in April 2023, which increased the Group's interest in Syspower to 87.32%. The transaction was accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

	<b>Amount</b>
Consideration paid in cash	\$ (29,002)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>20,466</u>
Differences recognized from equity transaction (recognized as capital surplus)	<u>\$ (8,536)</u>

- b. As described in Note 13h, the Group purchased shares of RTIHK from the non-controlling shareholders in September 2023 and increased its interest in RTIHK from 49% to 92%. The transaction was accounted for as equity transaction since the Group did not cease to have control over the subsidiary.

	<b>Amount</b>
Consideration paid in cash	\$ (54,344)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>56,893</u>
Differences recognized from equity transaction (recognized as capital surplus)	<u>\$ 2,549</u>

- c. As described in Note 13c, SFC issued new shares in May 2024 due to the exercise of employee share options, which decreased the Group's interest in SFC from 70% to 63.73%. The transaction was accounted for as equity transactions since the Group did not cease to have control over the subsidiary.

	<b>Amount</b>
Consideration received in cash	\$ 43,307
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>(38,243)</u>
Differences recognized from equity transaction (recognized as capital surplus)	<u>\$ 5,064</u>

## 28. CAPITAL MANAGEMENT

The capital structure of the Group consists of debt and equity of the Group (comprising issued capital, capital surplus, retained earnings and other equity).

Key management personnel of the Corporation review the capital structure on a periodic basis. As part of this review, the Corporation considers the cost of capital and the risks associated with each class of capital. In order to balance the overall capital structure, the Corporation may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

## 29. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

### b. Fair value of financial instruments that are measured at fair value on a recurring basis

#### 1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 47,252	\$ -	\$ -	\$ 47,252
Unlisted shares	-	-	2,387,303	2,387,303
Unlisted preferred shares	-	-	70,248	70,248
Mutual funds	6,916,677	-	-	6,916,677
Others	-	-	132,891	132,891
	<u>\$ 6,963,929</u>	<u>\$ -</u>	<u>\$ 2,590,442</u>	<u>\$ 9,554,371</u>
Financial liabilities at FVTPL				
Contingent consideration arising from business combination	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,827</u>	<u>\$ 43,827</u>
Financial assets at FVTOCI				
Listed shares	\$ 36,420	\$ -	\$ -	\$ 36,420
Unlisted shares	-	-	231,108	231,108
Unlisted preferred shares	-	-	2,463	2,463
	<u>\$ 36,420</u>	<u>\$ -</u>	<u>\$ 233,571</u>	<u>\$ 269,991</u>

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 36,412	\$ -	\$ -	\$ 36,412
Unlisted shares	-	-	1,912,577	1,912,577
Unlisted preferred shares	-	-	74,215	74,215
Mutual funds	575,605	-	-	575,605
Others	-	-	110,268	110,268
	<u>\$ 612,017</u>	<u>\$ -</u>	<u>\$ 2,097,060</u>	<u>\$ 2,709,077</u>
Financial assets at FVTOCI				
Listed shares	\$ 39,720	\$ -	\$ -	\$ 39,720
Unlisted shares	-	-	237,555	237,555
Unlisted preferred shares	-	-	1,334	1,334
	<u>\$ 39,720</u>	<u>\$ -</u>	<u>\$ 238,889</u>	<u>\$ 278,609</u>

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 46,319	\$ -	\$ -	\$ 46,319
Unlisted shares	-	-	1,882,748	1,882,748
Unlisted preferred shares	-	-	73,987	73,987
Mutual funds	543,684	-	-	543,684
Others	<u>-</u>	<u>-</u>	<u>114,551</u>	<u>114,551</u>
	<u>\$ 590,003</u>	<u>\$ -</u>	<u>\$ 2,071,286</u>	<u>\$ 2,661,289</u>
Financial assets at FVTOCI				
Listed shares	\$ 41,220	\$ -	\$ -	\$ 41,220
Unlisted shares	-	-	262,285	262,285
Unlisted preferred shares	<u>-</u>	<u>-</u>	<u>50,034</u>	<u>50,034</u>
	<u>\$ 41,220</u>	<u>\$ -</u>	<u>\$ 312,319</u>	<u>\$ 353,539</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1	\$ 2,097,060	\$ 238,889	\$ 2,335,949
Recognized in profit or loss	466,635	-	466,635
Recognized in other comprehensive income	-	(11,176)	(11,176)
Purchases	32,034	1,524	33,558
Disposals	(3,589)	-	(3,589)
Capital reduction	(3,898)	-	(3,898)
Net exchange differences	<u>2,200</u>	<u>4,334</u>	<u>6,534</u>
Balance at September 30	<u>\$ 2,590,442</u>	<u>\$ 233,571</u>	<u>\$ 2,824,013</u>
Unrealized gain for the current period recognized in profit or loss relating to assets held at the end of the period	<u>\$ 470,386</u>		<u>\$ 470,386</u>



<b>Financial Liabilities at FVTPL</b>	<b>Contingent Consideration Arising from Business Combinations</b>
Balance at January 1	\$ -
Additions	43,497
Recognized in profit or loss	<u>330</u>
Balance at September 30	<u>\$ 43,827</u>

For the nine months ended September 30, 2023

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1	\$ 2,040,928	\$ 309,456	\$ 2,350,384
Recognized in profit or loss	86,358	-	86,358
Recognized in other comprehensive income	-	(36,491)	(36,491)
Purchases	-	11,581	11,581
Disposals	(49,501)	-	(49,501)
Transferred from investments using the equity method	3,600	21,296	24,896
Capital reduction	(14,194)	(3,720)	(17,914)
Net exchange differences	<u>4,095</u>	<u>10,197</u>	<u>14,292</u>
Balance at September 30	<u>\$ 2,071,286</u>	<u>\$ 312,319</u>	<u>\$ 2,383,605</u>
Unrealized gain for the current period recognized in profit or loss relating to assets held at the end of the period	<u>\$ 56,519</u>		<u>\$ 56,519</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

<b>Financial Instruments</b>	<b>Valuation Techniques and Inputs</b>
Taiwan Futures Exchange	The market approach is used to arrive at their fair values for which the recent financial activities of investees, the market transaction prices of the similar companies and market conditions are considered. Significant unobservable inputs are discounted considering marketability.
Unlisted stock and others	The assets approach is used to the individual assets and individual liabilities to reflect the overall value of the investment target. Significant unobservable inputs are discounted considering marketability.
Contingent consideration arising from business combinations	Monte Carlo method: The contingent liability amount for payments based on net income is discounted at the applicable rate, calculating the net present value of contingent liabilities for each payment period.

c. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
FVTPL	\$ 9,554,371	\$ 2,709,077	\$ 2,661,289
Amortized cost (1)	\$ 12,451,292	\$ 16,161,158	\$ 13,931,827
FVTOCI	\$ 269,991	\$ 278,609	\$ 353,539
<u>Financial liabilities</u>			
FVTPL (2)	\$ 43,827	\$ -	\$ -
Amortized cost (3)	\$ 11,996,854	\$ 12,309,887	\$ 11,567,553

- 1) The balances comprise cash and cash equivalents, notes receivable, accounts receivable, refundable deposits, other receivables, lease receivables (included in other current assets and other non-current assets), long-term receivables, pledged time deposits (included in other financial assets) and debt investment (included in financial assets at amortized cost).
- 2) The balances comprise the contingent consideration arising from business combinations (included in investment payable - non-current).
- 3) The balances comprise short-term loans, notes and accounts payable, accounts payable to related parties, dividends payable, other payables, guarantee deposits received (included in other non-current liabilities), bonds payable, current portion of long-term borrowings, long-term borrowings and investment payable - non-current.

d. Financial risk management objectives and policies

The Group's main target of financial risk management is to manage the market risk related to operating activity (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. To reduce the potential and detrimental influence of the fluctuations in market on the Group's financial performance, the Group endeavors to identify, estimate and hedge the uncertainties of the market.

The Group's significant financial activity is reviewed and approved by the board of directors and audit committee in compliance with related regulations and internal control policy, and the authority and responsibility are delegated according to the operating procedures.

1) Market risk

a) Foreign currency risk

The Group has foreign currency sales, purchases and borrowings, which were exposed to foreign currency risk. The Group designated a department to monitor exchange rate fluctuations in timely manner and change foreign currency position to control and mitigate such risks as soon as possible.

The sensitivity analysis focused on outstanding foreign currency denominated monetary assets and monetary liabilities (mainly USD and RMB) at the end of the reporting period. A positive number below indicates an increase/decrease in pre-tax net income associated with New Taiwan dollars strengthening/weakening 5% against the relevant currency.

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Increase/decrease	<u>\$ 25,995</u>	<u>\$ 11,571</u>

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial assets	<u>\$ 1,946,673</u>	<u>\$ 1,906,142</u>	<u>\$ 1,912,662</u>
Financial liabilities	<u>\$ 5,983,247</u>	<u>\$ 5,019,982</u>	<u>\$ 5,284,017</u>
Cash flow interest rate risk			
Financial assets	<u>\$ 3,733,501</u>	<u>\$ 7,047,280</u>	<u>\$ 5,622,502</u>
Financial liabilities	<u>\$ 115,102</u>	<u>\$ 104,622</u>	<u>\$ 107,126</u>

The Group acquires better interest rate through long-term cooperation with banks; therefore, the effect of interest rate fluctuations is immaterial.

The sensitivity analyses below were determined based on financial assets and financial liabilities with floating interest rates at the end of reporting period. If interest rates had been 10 basis points (0.1%) higher/lower, the Group's pre-tax net income effect would have been as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Increase/decrease	<u>\$ 2,714</u>	<u>\$ 4,137</u>

c) Other price risk

The Group was exposed to price risk through its investments in listed shares, corporate bonds and mutual funds. The Group established a real-time control system for the price risk, and management does not anticipate any material loss due to this risk.

The sensitivity analyses of the above investment were determined based on financial assets which were measured at fair value at the end of reporting period. If market prices had been 5% higher/lower, the effects on the Group's pre-tax net income and other comprehensive income would have been as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Pre-tax net income		
Increase/decrease	<u>\$ 477,719</u>	<u>\$ 133,064</u>
Other comprehensive income		
Increase/decrease	<u>\$ 13,500</u>	<u>\$ 17,677</u>

2) Credit risk

Credit risk represents the potential loss that would be incurred by the Group if the counterparties breached contracts. Generally, the maximum exposures to credit risk for financial assets at the balance sheet date are their carrying amounts.

Since the counterparties are creditworthy financial institutions and enterprises and the concentration of credit risk is not significant, the credit risk is anticipated to be immaterial.

3) Liquidity risk

The Group puts in place inventory management system, procedures for collections and payments, and develops cash flow forecast to ensure the liquidity of operating capital. In addition, the Group invests idle funds in short-term investments under consideration of liquidity, security and profitability. The Group also maintains banking facilities to ensure the liquidity of cash.

The Group has sufficient working capital to meet the cash needs for their operations. Thus, no material liquidity risk is anticipated.

In addition, the Group's investments in mutual funds and listed shares are traded in active markets and can readily be sold in the market at their approximate fair values. However, the Group also invested in unlisted shares and corporate bonds without quoted market prices in an active market, and higher liquidity risk is anticipated.

### 30. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions, revenue and expense between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated upon consolidation and are not disclosed in this note. Except for those disclosed in other notes, details of transactions between the Group and other related parties are disclosed below.

#### a. Related parties and their relationship with the Group

Related Party	Relationship with the Group
Systemweb Technologies Co., Ltd.	Associate
Sanfran Technologies Inc.	Associate
Investment Media Ltd.	Associate
Shengsen Cloud Technology	Associate (a non-related party to the Group starting in June 2023)
Frog-jump Information Co., Ltd.	Associate
Neweb Information Co., Ltd.	Associate
Gensys Technology International. Ltd.	Associate
Fuco Technology Co., Ltd.	Associate
AIWin Technology Co., Ltd.	Associate (a non-related party to the Group starting in March 2024)
Genesis Technology Inc.	Associate
Bao Ruh Electronic Co., Ltd.	Associate
CKmates International Co., Ltd.	Associate (a non-related party to the Group starting in June 2023)
Teamplus Technology Inc.	Associate
Mohist Web Technology Co., Ltd.	Associate
Green World FinTech Service Co., Ltd.	Director of subsidiary
Mr. Hsieh	Director of subsidiary
Taiwan Mobile Co., Ltd.	Investor that has significant influence over the Group (a related party to the Group starting in September 2024 after acquiring 11.86% interest in the Corporation)
Taiwan Fixed Network Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Momo.Com Inc.	Subsidiary of investor that has significant influence over the Group
Tfn Media Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Yeong Jia Leh Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Mangrove Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Phoenix Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Union Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group
Globalview Cable TV Co., Ltd.	Subsidiary of investor that has significant influence over the Group

b. Operating revenue

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Sales	Associates	\$ 42,419	\$ 35,337	\$ 193,570	\$ 166,862
	Investors and subsidiaries of the investors that have significant influence over the Group	\$ 29,255	\$ -	\$ 29,255	\$ -
Service revenue	Director of subsidiary	\$ 3,010	\$ 1,952	\$ 7,215	\$ 5,399
	Associates	\$ 3,519	\$ 2,764	\$ 13,608	\$ 6,078
	Investors and subsidiaries of the investors that have significant influence over the Group	\$ 2,007	\$ -	\$ 2,007	\$ -
Other operating revenue	Director of subsidiary	\$ 100	\$ 138	\$ 276	\$ 208
	Director of subsidiary	\$ 165	\$ 176	\$ 410	\$ 497

c. Purchases

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associates	\$ 23,493	\$ 14,665	\$ 59,625	\$ 26,889
Investors and subsidiaries of the investors that have significant influence over the Group	\$ 559	\$ -	\$ 559	\$ -
Director of subsidiary	\$ 19	\$ 16	\$ 19	\$ 16

d. Receivables from related parties

Line Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Notes and accounts receivable	Associates	\$ 124,690	\$ 86,744	\$ 81,514
	Investors and subsidiaries of the investors that have significant influence over the Group	\$ 6,444	\$ -	\$ -
	Director of subsidiary	\$ 419	\$ 268	\$ 243
Lease receivables - current (included in other current assets)	Director of subsidiary	\$ 2,901	\$ 2,116	\$ 1,842
Lease receivables - non-current (included in other non-current assets)	Director of subsidiary	\$ 6,458	\$ 2,740	\$ 2,117

e. Payables to related parties

Line Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Payables to related parties	Associates	\$ 11,896	\$ 22,306	\$ 17,149
	Investors and subsidiaries of the investors that have significant influence over the Group	\$ 935	\$ -	\$ -
Other payables	Director of subsidiary	\$ -	\$ -	\$ 9,402

The product/service sales and purchase transactions with related parties were conducted underpricing terms similar to those with third parties, i.e., for purchases or sales of similar products/services, except for those transactions on products/services with special specifications. Settlement terms for related-party transactions were similar to those for third parties.

f. Acquisition of property, plant and equipment

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Associates	\$ -	\$ -	\$ -	\$ 360

g. Other transactions with related parties

Line Item	Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2024	2023	2024	2023
Service cost	Associates	\$ 4,187	\$ 4,184	\$ 12,514	\$ 12,539
	Director of subsidiary	\$ 1,611	\$ -	\$ 3,820	\$ -
	Investors and subsidiaries of the investors that have significant influence over the Group	\$ 1,389	\$ -	\$ 1,389	\$ -
Operating expenses	Associates	\$ 47	\$ 127	\$ 105	\$ 1,318
	Director of subsidiary	\$ 43	\$ 85	\$ 119	\$ 211
	Investors and subsidiaries of the investors that have significant influence over the Group	\$ 2	\$ -	\$ 2	\$ -

h. Compensation of key management personnel

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 31,734	\$ 28,982	\$ 103,958	\$ 96,894
Post-employment benefits	656	687	7,151	2,148
Share-based payment	<u>8,387</u>	<u>21,675</u>	<u>43,187</u>	<u>74,593</u>
	<u>\$ 40,777</u>	<u>\$ 51,344</u>	<u>\$ 154,296</u>	<u>\$ 173,635</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

### 31. PLEDGED ASSETS

The following assets were pledged as the Group's collateral for bank loans, contract guarantees, collateral for issuance of gift vouchers and cards and import duty guarantee, and etc.:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Property, plant and equipment - land and buildings, net	\$ 426,733	\$ 424,111	\$ 432,343
Pledged time deposits - current (included in other financial assets - current)	482,252	394,958	344,660
Pledged time deposits - non-current (included in other financial assets - non-current)	88,630	91,978	102,772
The shares of the Corporation (Note)	<u>-</u>	<u>560,000</u>	<u>530,000</u>
	<u>\$ 997,615</u>	<u>\$ 1,471,047</u>	<u>\$ 1,409,775</u>

Note: Hanmore pledged 5,000 thousand shares of the Corporation as of December 31, 2023 and September 30, 2023, and it was eliminated upon consolidation.

### 32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Unused letters of credit of the Group in aggregate amount were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
	<u>\$ 742</u>	<u>\$ 713</u>	<u>\$ 711</u>

b. Outstanding sales contracts of the Group in the amount were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
	<u>\$ 15,213,783</u>	<u>\$ 14,505,808</u>	<u>\$ 16,837,500</u>



- c. The Group provided endorsements for others in Table 3.
- d. The Group issues gift certificates and gift cards. For the handling of advance receipts from customers for sold gift certificates and gift cards, the Group entered into a trust agreement with E.SUN Commercial Bank according to the “Provision to be Included in Standard Form Contract of All Sorts of Gift Certificates of Retail Companies” issued by the Ministry of Economic Affairs. According to the trust agreement, the Group opened a trust account in E.SUN Commercial Bank. Advance receipts from customers for sold gift certificates are deposited in the trust account and amounts for services already provided to customers are paid to the Group on a monthly basis. The balance in the trust account should be not lower than the amount of outstanding gift certificates and gift cards. As of September 30, 2024, the Group’s assets in the trust account amounted to \$180,271 thousand (included in other financial assets).
- e. The Group develops services for online games and virtual product industry point recharge or exchange. According to the “Mandatory and Prohibitory Provisions of Standard Form Contracts for Online Game Point Cards” issued by the Ministry of Digital Affairs, the Group designated CTBC Bank Co., Ltd. To provide a performance guarantee for the Group’s issuance of digital serial game points (serial numbers/cards) within a guaranteed limit of \$30,000 thousand. As of September 30, 2024, the Group had pledged a time deposit of \$15,000 thousand as collateral (included in other financial assets - current).

### 33. EXCHANGE RATE OF FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

September 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 23,756	31.65	\$ 751,877
RMB	9,295	4.52	41,983
Non-monetary items			
Financial assets at FVTPL			
USD	3,997	31.65	126,505
HKD	11,557	4.08	47,094
<u>Financial liabilities</u>			
Monetary items			
USD	8,654	31.65	273,889
RMB	14	4.52	63

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 22,996	30.705	\$ 706,092
RMB	16,100	4.34	69,797
Non-monetary items			
Financial assets at FVTPL			
HKD	9,226	3.93	36,247
<u>Financial liabilities</u>			
Monetary items			
USD	18,007	30.705	552,905
RMB	28	4.34	121

September 30, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 15,963	32.27	\$ 515,126
RMB	10,674	4.49	47,926
Non-monetary items			
Financial assets at FVTPL			
HKD	9,991	4.12	41,193
<u>Financial liabilities</u>			
Monetary items			
USD	10,235	32.27	330,283
RMB	302	4.49	1,357

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$2,784 thousand, \$(373) thousand, \$993 thousand and \$(3,700) thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

### 34. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on financial information. The Group's reportable segments were as follows:

Financial business integration provides financial technologies and develops smart finance, centered on FinTech, to assist financial customers (mainly engaged in large-scale financial customers) in digital transformation, including transformation services in mobile applications, integration services for investor and wealth management upgrade services.

Consumer market integration mainly focus on new retail, provides full-channel and full payment services, and assists customers, especially digital e-commerce customer, in operating O2O business to realize digital transformation.

Digital ecosystem integration provides comprehensive digital ecosystem product portfolio and solution to drive business intelligence growth of customers, acts as the Data Enabler for customers and actively introduces domestic and foreign leading digital technology to provide solution to customer in digital transformation.

Commercial software service integration mainly provides sales of various domestic and foreign original software and hardware, learning cloud-related technologies and applications, and provides a variety of IT integration services and comprehensive IT ecosystem information services.

China Group, in the way of alliance with local suppliers, expands self-employed business, develops independent products, provides system integration and value-added services, and provides commercial software and cloud platform tools in China.

Investment department engages in investment activities.

The chief operating decision-maker of the Group divided the domestic information service business into four operating segments according to industry level and customer's service requirements and has taken China Group as a reportable segment due to regional specialties. In addition, the financial investment business is considered as an investment department that should be reported separately. Financial business integration included domestic departments which provide a cross-border financial transaction cloud, APP and customized development, community services for investors, and ITDM services of securities or futures trading in Greater China. Consumer market integration included domestic departments which provide mobile payments, O2O integration services, data processing services, precision marketing solution, government official website, service platform, and e-commerce platform. Digital ecosystem integration included domestic departments which provide big data platform and value-added innovation, commercial software, cloud value-added services, Cyber-security, IT development training courses, and book publishing into a reportable department. Commercial software service integration mainly categorizes the domestic departments which provide commercial software, technology value-added services of Microsoft product, cloud construction and application, and Mobile APP development into a reportable department.

	Financial Business Integration	Consumer Market Integration	Digital Ecosystem Integration	Commercial Software Service Integration	China Group	Investment Department	Adjustment and Elimination	Total
For the nine months ended September 30, 2024								
Sales to customers	\$ 3,836,144	\$ 4,814,330	\$ 5,809,809	\$ 8,330,805	\$ 5,507,053	\$ -	\$ -	\$ 28,298,141
Sales to other segments	<u>144,387</u>	<u>90,192</u>	<u>1,347,710</u>	<u>577,669</u>	<u>663,561</u>	<u>-</u>	<u>(2,823,519)</u>	<u>-</u>
Total sales	<u>\$ 3,980,531</u>	<u>\$ 4,904,522</u>	<u>\$ 7,157,519</u>	<u>\$ 8,908,474</u>	<u>\$ 6,170,614</u>	<u>\$ -</u>	<u>\$ (2,823,519)</u>	<u>\$ 28,298,141</u>
Segment income	<u>\$ 259,398</u>	<u>\$ 411,774</u>	<u>\$ 501,854</u>	<u>\$ 530,773</u>	<u>\$ 94,600</u>	<u>\$ 543,714</u>	<u>\$ -</u>	<u>\$ 2,342,113</u>
Corporate general expenses								<u>(392,925)</u>
Income before income tax								<u>\$ 1,949,188</u>
Segment depreciation and amortization expenses	<u>\$ 59,151</u>	<u>\$ 41,049</u>	<u>\$ 71,141</u>	<u>\$ 11,160</u>	<u>\$ 30,491</u>	<u>\$ -</u>		\$ 212,992
Non-segment depreciation and amortization expenses								<u>127,143</u>
Total depreciation and amortization expenses								<u>\$ 340,135</u>
Segment assets	<u>\$ 5,458,034</u>	<u>\$ 2,774,521</u>	<u>\$ 3,771,586</u>	<u>\$ 4,122,646</u>	<u>\$ 3,735,107</u>	<u>\$ 13,434,614</u>		\$ 33,296,508
General assets								<u>1,682,914</u>
Total assets								<u>\$ 34,979,422</u>

(Continued)

	Financial Business Integration	Consumer Market Integration	Digital Ecosystem Integration	Commercial Software Service Integration	China Group	Investment Department	Adjustment and Elimination	Total
For the nine months ended September 30, 2023								
Sales to customers	\$ 3,195,898	\$ 4,435,176	\$ 5,616,587	\$ 7,028,719	\$ 4,583,251	\$ -	\$ -	\$ 24,859,631
Sales to other segments	<u>184,467</u>	<u>96,917</u>	<u>1,376,403</u>	<u>340,602</u>	<u>460,144</u>	<u>-</u>	<u>(2,458,533)</u>	<u>-</u>
Total sales	<u>\$ 3,380,365</u>	<u>\$ 4,532,093</u>	<u>\$ 6,992,990</u>	<u>\$ 7,369,321</u>	<u>\$ 5,043,395</u>	<u>\$ -</u>	<u>\$ (2,458,533)</u>	<u>\$ 24,859,631</u>
Segment income (loss)	<u>\$ 261,448</u>	<u>\$ 335,685</u>	<u>\$ 518,984</u>	<u>\$ 499,946</u>	<u>\$ 61,648</u>	<u>\$ 283,354</u>	<u>\$ -</u>	<u>\$ 1,961,065</u>
Corporate general expenses								<u>(375,020)</u>
Income before income tax								<u>\$ 1,586,045</u>
Segment depreciation and amortization expenses	<u>\$ 44,280</u>	<u>\$ 25,163</u>	<u>\$ 82,045</u>	<u>\$ 10,195</u>	<u>\$ 32,296</u>	<u>\$ -</u>		\$ 193,979
Non-segment depreciation and amortization expenses								<u>116,330</u>
Total depreciation and amortization expenses								<u>\$ 310,309</u>
Segment assets	<u>\$ 5,201,367</u>	<u>\$ 2,953,354</u>	<u>\$ 3,526,301</u>	<u>\$ 3,927,761</u>	<u>\$ 3,497,377</u>	<u>\$ 8,503,658</u>		\$ 27,609,818
General assets								<u>1,626,409</u>
Total assets								<u>\$ 29,236,227</u>

(Concluded)

Segment (loss) income refers to the profits and losses incurred by each segment, excluding headquarter management cost, remuneration of directors, rental revenue, interest income, gain or loss on disposal of property, plant and equipment, foreign exchange gain, interest expense and income tax expense.

### 35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

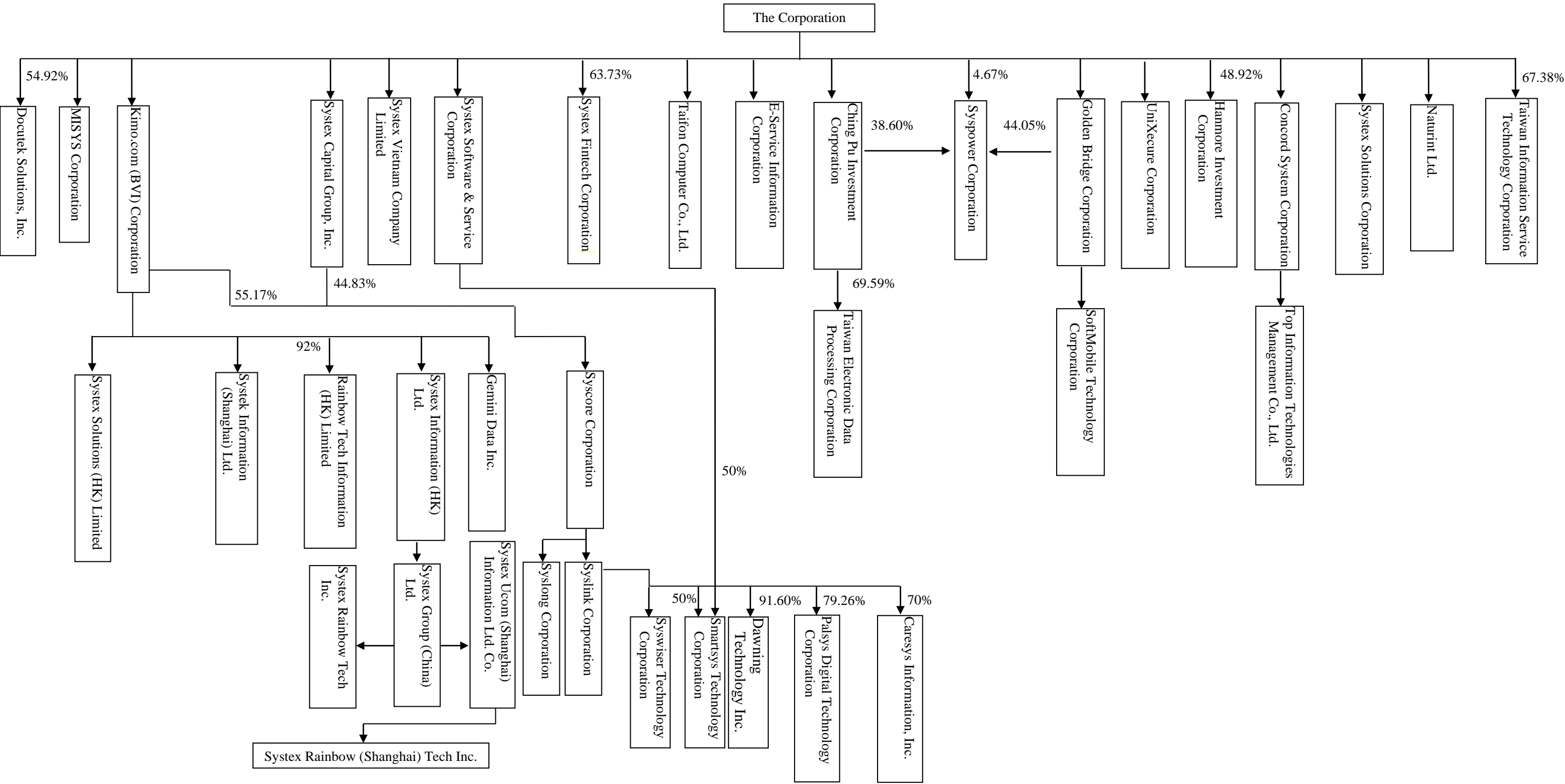
- 1) Financing provided to others (Table 2)
- 2) Endorsements/guarantees provided (Table 3)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 4)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)

- 9) Trading in derivative instruments (None)
- 10) Other: Intercompany relationships and significant intercompany transactions (Table 8)
- 11) Information on investees (Table 9)
- c. Information on investments in mainland China
  - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Tables 6 and 8):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

TABLE 1

SYSTEX CORPORATION AND SUBSIDIARIES

THE RELATIONSHIP AND PERCENTAGE OF OWNERSHIP OF COMPANIES IN THE GROUP  
SEPTEMBER 30, 2024



Note: Percentage of ownership is 100% unless noted on the chart.

TABLE 2

SYSTEX CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed (Note 20)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 2)	Note
													Item	Value			
1	Systex Group (China) Ltd.	Systek Information (Shanghai) Ltd.	Receivables from related parties	Y	\$ 138,066	\$ 135,501	\$ -	1-6.16	Short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 3,470,469	\$ 6,940,937	(Note 3)
		Systex Rainbow Tech Inc.	Receivables from related parties	Y	230,110	225,835	67,751	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,470,469	6,940,937	(Note 4)
		Systex Ucom (Shanghai) Information Ltd. Co.	Receivables from related parties	Y	230,110	225,835	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,470,469	6,940,937	(Note 5)
2	Systek Information (Shanghai) Ltd.	Systex Group (China) Ltd.	Receivables from related parties	Y	276,132	271,002	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,470,469	6,940,937	(Note 6)
		Systex Rainbow Tech Inc.	Receivables from related parties	Y	46,022	45,167	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,470,469	6,940,937	(Note 7)
3	Systex Rainbow Tech Inc.	Systex Group (China) Ltd.	Receivables from related parties	Y	92,044	90,334	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,470,469	6,940,937	(Note 8)
		Systek Information (Shanghai) Ltd.	Receivables from related parties	Y	46,022	45,167	-	1-6.16	Short-term financing	-	Operating capital	-	-	-	3,470,469	6,940,937	(Note 9)
4	Syscore Corporation	Concord System Management Corporation	Receivables from related parties	Y	300,000	300,000	-	2.00	Short-term financing	-	Operating capital	-	-	-	1,486,636	1,486,636	(Note 10)
		UniXecure Technology Corporation	Receivables from related parties	Y	50,000	50,000	50,000	2.00	Short-term financing	-	Operating capital	-	-	-	1,486,636	1,486,636	(Note 11)
5	Syslink Corporation	Palsys Digital Technology Corporation	Receivables from related parties	Y	160,000	-	-	2.00	Short-term financing	-	Operating capital	-	-	-	566,663	566,663	(Note 12)

- Note 1: Loans to individual company shall not exceed 20% of the lender’s net equity, except for 40% net equity of Syscore Corporation and Syslink Corporation. If it is for short-term financing between foreign companies in which the Corporation holds a 100% interest, the financing limit is not subject to the prior limitation but shall not exceed 20% of the Corporation’s net equity.
- Note 2: Total loans shall not exceed 40% of the lender’s net equity. If it is for short-term financing between foreign companies in which the Corporation holds a 100% interest, the total loans are not subject to the prior limitation but shall not exceed 40% of the Corporation’s net equity.
- Note 3: The highest balance for the period is \$138,066 thousand (RMB30,000 thousand). The ending balance is \$135,501 thousand (RMB30,000 thousand) which has not been withdrawn.
- Note 4: The highest balance for the period is \$230,110 thousand (RMB50,000 thousand). The ending balance is \$225,835 thousand (RMB50,000 thousand), including \$158,084 thousand (RMB35,000 thousand) which has not been withdrawn.
- Note 5: The highest balance for the period is \$230,110 thousand (RMB50,000 thousand). The ending balance is \$225,835 thousand (RMB50,000 thousand) which has not been withdrawn.
- Note 6: The highest balance for the period is \$276,132 thousand (RMB60,000 thousand). The ending balance is \$271,002 thousand (RMB60,000 thousand) which has not been withdrawn.
- Note 7: The highest balance for the period is \$46,022 thousand (RMB10,000 thousand). The ending balance is \$45,167 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 8: The highest balance for the period is \$92,044 thousand (RMB20,000 thousand). The ending balance is \$90,334 thousand (RMB20,000 thousand) which has not been withdrawn.
- Note 9: The highest balance for the period is \$46,022 thousand (RMB10,000 thousand). The ending balance is \$45,167 thousand (RMB10,000 thousand) which has not been withdrawn.
- Note 10: The highest balance for the period is \$300,000 thousand. The ending balance is \$300,000 thousand which has not been withdrawn.
- Note 11: The highest balance for the period is \$50,000 thousand. The ending balance is \$50,000 thousand which has been withdrawn.
- Note 12: The highest balance for the period is \$160,000 thousand.
- Note 13: The ending balance of actual amount borrowed has been eliminated in the consolidated financial statements.

TABLE 3

SYSTEX CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
0	Systex Corporation	Systex Information (HK) Ltd.	b	\$ 4,338,086	\$ 410,438	\$ 395,625	\$ 25,573	\$ -	2.28	\$ 8,676,172	Y	N	N	(Notes 2 and 3)
		Systex Group (China) Ltd.	b	4,338,086	1,859,468	1,807,673	704,662	-	10.42	8,676,172	Y	N	Y	(Notes 2 and 3)
		Systek Information (Shanghai) Ltd.	b	4,338,086	16,418	15,825	-	-	0.09	8,676,172	Y	N	Y	(Notes 2 and 3)
		Systex Rainbow Tech Inc.	b	4,338,086	49,253	47,475	-	-	0.27	8,676,172	Y	N	Y	(Notes 2 and 3)
		Systex Ucom (Shanghai) Information Ltd. Co.	b	4,338,086	138,066	135,501	41,231	-	0.78	8,676,172	Y	N	Y	(Notes 2 and 3)
		Systex Software & Service Corporation	b	4,338,086	1,000,000	-	-	-	-	8,676,172	Y	N	N	(Notes 2 and 3)
1	Systek Information (Shanghai) Ltd.	Systex Group (China) Ltd.	d	362,371	230,110	225,835	203,252	225,835	124.64	362,371	N	N	Y	(Notes 4 and 5)

Note 1: There are seven types of relationships between the endorser and the endorsed party.

- a. Companies that have business dealings.
- b. A company in which the company directly or indirectly holds more than 50% of the voting shares.
- c. Companies in which the company directly or indirectly holds more than 50% of the voting shares.
- d. Companies in which the company directly or indirectly holds more than 90% of the voting shares.
- e. A company that is mutually insured under a contract between peers or co-founders for the purpose of contracting for work.
- f. A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
- g. Inter-industry companies that engage in performance guarantee and joint guarantee for pre-sale contracts in accordance with the Consumer Protection Act.

Note 2: Limits on endorsements/guarantees amount shall not exceed 25% of the net equity of the provider.

Note 3: The maximum balance for the period shall not exceed 50% of the net equity of the provider.

Note 4: Limits on endorsements/guarantees amount shall not exceed 200% of the net equity in previous year end of the provider.

Note 5: The maximum balance for the period shall not exceed 200% of the net equity in previous year end of the provider.



**TABLE 4**

**SYSTEX CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**  
**SEPTEMBER 30, 2024**  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Controlling company - Systex Corporation	<u>Ordinary shares</u>							
	GCH Systems		Financial assets at FVTPL - non-current	56,226	\$ -	0.74	\$ -	
	Taiwan Futures Exchange Corporation		"	20,427,987	1,855,879	3.28	1,855,879	
	Saho Corporation		"	795,895	-	1.79	-	
	Far Eastern Electronic Toll Collection Co., Ltd.		"	25,263,076	350,864	8.42	350,864	
	Sysjust Co., Ltd.		"	1,108,592	22,563	4.22	22,563	
	3Probe Technologies Co., Ltd.		"	205,567	1,638	6.42	1,638	
	Da Ho Marketing Co., Ltd.		"	1,260,000	13,432	14.63	13,432	
	Princo Co., Ltd.		"	808,415	-	0.20	-	
	Wegoluck Co., Ltd.		"	471,700	-	3.20	-	
	Yankey Inc.		"	150,000	-	3.57	-	
	Germini Data Inc.		"	3,404,000	-	1.40	-	
	Prudence Capital Management Co., Ltd.		Financial assets at FVTOCI - non-current	33,137	276	0.50	276	
	Alpha Core Philosophy Co., Ltd.		"	612,006	1,738	1.79	1,738	
	iSpan International Inc.		"	600,000	7,083	6.12	7,083	
	Firstweb Limited.		"	236,000	33,040	3.58	33,040	
	<u>Preference shares</u>							
	Gemini Data, Inc.		Financial assets at FVTOCI - non-current	7,720,167	-	3.18	-	
Subordinate company - Ching Pu Investment Corporation	<u>Ordinary shares</u>							
	Enova Technology Corp.		Financial assets at FVTPL - non-current	1,177,629	-	5.57	-	
	Princo Co., Ltd.		"	8,558,064	-	2.08	-	
	Sysjust Co., Ltd.		"	1,276,448	25,979	4.85	25,979	
	Axtronics Inc.		"	64,063	-	0.37	-	
	Universal Ec Inc.		"	111,829	-	0.22	-	
	Taiwan Electronic Packaging Co., Ltd.		"	326,000	-	0.54	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Taiwan Electronic Data Processing Corporation  Subordinate company - Hanmore System Management Corporation          Subordinate company - Systex Capital Group, Inc.	<u>Mutual funds</u> Fuh Hwa Legend Fund VI Yuanta 0-2 Year Investment Grade Corporate Bond Fund - TWD (A) PGIM Money Market Fund Yuanta Vantage Money Market Fund Yuanta De-Li Money Market Fund Yuanta De-Bao Money Market Fund Hua Nan Kirin Money Market Fund Capital Money Market Fund		Financial assets at FVTPL - current	250,000	\$ 8,128	-	\$ 8,128	
			"	1,000,000	11,041	-	11,041	
			"	8,874,835	145,790	-	145,790	
			"	12,732,933	200,094	-	200,094	
			"	11,811,954	200,096	-	200,096	
			"	16,040,551	200,093	-	200,093	
			"	40,270,294	500,234	-	500,234	
			"	14,328,872	240,115	-	240,115	
	<u>Ordinary shares</u> Changzhou Xinguotai Information Equipment Co., Ltd. Taione International Ltd. Drpacific-Greater China, Inc.		Financial assets at FVTPL - non-current	80,000	-	13.11	-	
			"	630,000	-	4.50	-	
			"	-	-	5.06	-	
	<u>Ordinary shares</u> Monterey International Corp Enova Technology Corp. NITS Technology Inc.		Financial assets at FVTPL - non-current	1,196,371	9,774	4.68	9,774	
			"	1,840,046	-	8.70	-	
			"	3,910,646	-	5.83	-	
	<u>Mutual funds</u> PineBridge Global ESG Quantitative Bond Fund A. Fuh Hwa 3-8 Year Maturity A-Rated Bond Fund TWD PineBridge Taiwan Money Market Fund Taishin Ta-Chong Money Market Fund Taishin 1699 Money Market Fund Fuh Hwa Money Market Fund Prudential Financial Money Market Fund FSITC Taiwan Money Market Fund FSITC Money Market Fund		Financial assets at FVTPL - current	968,720	9,369	-	9,369	
			"	1,500,000	16,028	-	16,028	
			"	23,367,674	330,323	-	330,323	
			"	6,777,088	100,049	-	100,049	
			"	7,099,399	100,050	-	100,050	
			"	40,193,195	600,273	-	600,273	
			"	30,451,783	500,241	-	500,241	
			"	31,450,695	500,248	-	500,248	
			"	2,703,302	500,235	-	500,235	
	<u>Ordinary shares</u> Com2B Corp. Techgains International Corp. Tradetrek.com Inc. Sipix Technology Limited Falcon Stor Software Inc. MagiCapital Fund II, L.P.		Financial assets at FVTPL - non-current	1,000,000	-	2.22	-	
			"	1,500,000	-	4.41	-	
			"	1,109,468	-	3.30	-	
			"	279,919	-	0.24	-	
			Financial assets at FVTPL - current	4,000	158	0.07	158	
			Financial assets at FVTOCI - non-current	-	128,885	2.91	128,885	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Syscore Corporation	<u>Preference shares</u> Techgains Pan-Pacific Corporation		Financial assets at FVTPL - non-current	3,000,000	\$ -	4.96	\$ -	
	CipherMax		"	73,703	-	0.74	-	
	Tonbu Inc.		"	333,333	-	1.38	-	
	Gemini Data, Inc.		Financial assets at FVTOCI - non-current	25,611,876	-	11.59	-	
	<u>Other</u> Current Ventures II Limited		Financial assets at FVTOCI - non-current	2,500,000	-	4.20	-	
	<u>Mutual funds</u> GS US Core SM Equity Portfolio P(ACC) (SNAP) Shares		Financial assets at FVTPL - current	25,139	33,458	-	33,458	
	Wellington Strategic European Equity Portfolio D USD Acc (Hedged)		"	9,536	10,126	-	10,126	
	PIMCO Income Fund-H Class		"	160,831	48,001	-	48,001	
	PIMCO Global Bond Fund-H Class		"	59,931	65,478	-	65,478	
	GS Multi-manager US Equity Mutual Fund		"	25,007	33,233	-	33,233	
	Goldman Sachs High Yield Floating Rate Portfolio Fund		"	13,306	65,085	-	65,085	
	Blackrock Bgf Continental European Flexible Fund		"	11,213	9,348	-	9,348	
	Gs Global Credit Portfolio (Hedged) P (Acc) Shares		"	110,115	66,322	-	66,322	
	GS US Small Cap Core Equity Fund		"	12,088	13,187	-	13,187	
	Gs Japan Equity Partners Portfolio Class P (ACC)(SNAP)(JPY)		"	3,324	21,194	-	21,194	
	GQG Partners Emerging Markets Equity A USD ACC		"	24,677	12,746	-	12,746	
	<u>Ordinary shares</u> Far Eastern Electronic Toll Collection Co., Ltd.		Financial assets at FVTPL - non-current	7,716,831	107,174	2.57	107,174	
	GrandTech C.G. Systems Inc.		Financial assets at FVTOCI - non-current	600,000	36,420	0.97	36,420	
	<u>Preference shares</u> Taiwania Capital Buffalo Fund Preference Shares - Class A		Financial assets at FVTPL - non-current	92,600,000	70,248	2.15	70,248	
	<u>Limited partnership</u> Digital-Economy limited partnership		Financial assets at FVTPL - non-current	-	28,293	6.29	28,293	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Syslink Corporation	<u>Mutual funds</u> Fuh Hwa Legend Fund VI		Financial assets at FVTPL - current	6,748,777	\$ 100,791	-	\$ 100,791	(Note 2)
	Allianz Global Investors Taiwan Money Market Fund		"	13,934,070	181,441	-	181,441	
	Taishin Flexible Income Fund B-TWD		"	300,000	3,150	-	3,150	
	Allianz Global Investors US Short Duration High Income Bond Fund		"	3,000,000	33,095	-	33,095	
	Yuanta 0-2 Year Investment Grade Corporate Bond Fund - TWD (A)		"	2,000,000	22,082	-	22,082	
	Yuanta Wan Tai Money Market Fund		"	6,417,456	100,848	-	100,848	
	Yuanta Japan Leading Enterprise Fund - TWD (A)		"	4,810,198	51,373	-	51,373	
	Fuh Hwa Legend Fund VI		"	14,900,000	484,399	-	484,399	
	<u>Corporate bond</u> Nan Shan Life Insurance Company, Ltd. 1st Perpetual Unsecured Subordinate Corporate Bond Issue in 2016		Financial assets at amortized cost - non-current	-	501,502	-	501,502	
	<u>Ordinary shares</u> Caloudi Corporation		Financial assets at FVTOCI - non-current	1,225,000	25,334	19.68	25,334	
Subordinate company - Kimo.com (BVI) Corporation	Ckmates International Co., Ltd.		"	2,370,000	19,036	19.01	19,036	
	<u>Mutual funds</u> Yuanta Wan Tai Money Market Fund		Financial assets at FVTPL - current	4,309,678	67,725	-	67,725	
	Yuanta De-Li Money Market Fund		"	595,033	10,080	-	10,080	
	Yuanta De-Bao Money Market Fund		"	16,168,149	201,685	-	201,685	
	<u>Ordinary shares</u> ISHARES A50 (2823.HK)		Financial assets at FVTPL - current	392,000	24,089	-	24,089	
	CSOP A50 (2822.HK)		"	397,000	23,005	-	23,005	
	<u>Mutual funds</u> ALLIANZ GLOBAL ARTIFICIAL INTELLIGENCE-CLASS AT ACC (USD)		Financial assets at FVTPL - current	15,768	13,754	-	13,754	
	ALLIANZ TOTAL RETURN ASIAN EQUITY-CLASS A DIS (USD)		"	10,352	11,913	-	11,913	
	ALLIANZ CHINA A SHARES SHS-AT (USD)		"	75,810	26,369	-	26,369	
	<u>Other</u> New Economy Ventures L.P		Financial assets at FVTPL - non-current	-	72,948	14.73	72,948	
	SparkLabs Taiwan Fund II, L.P.		"	-	22,155	20.20	22,155	
	Hive DXDM II L.P.		"	-	9,495	11.70	9,495	
	<u>Preference shares</u> XREX Inc.		Financial assets at FVTOCI - non-current	254,148	2,462	0.55	2,462	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Syslong Corporation	<u>Ordinary shares</u> SMY Internet of Package Co., Ltd.		Financial assets at FVTOCI - non-current	234,568	\$ 15,716	19.00	\$ 15,716	
	<u>Mutual funds</u> Fubon Chi-Hsiang Money Market Fund		Financial assets at FVTPL - current	12,279,871	199,797	-	199,797	
Subordinate company - Syspower Corporation	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	2,973,437	50,239	-	50,239	
	Taishin Ta-Chong Money Market Fund		"	1,364,750	20,148	-	20,148	
	Yuanta Wan Tai Money Market Fund		"	3,827,770	60,152	-	60,152	
Subordinate company - Golden Bridge Corporation	<u>Mutual funds</u> FSITC Money Market Fund		Financial assets at FVTPL - current	162,945	30,152	-	30,152	
Subordinate company - Taifon Computer Co., Ltd.	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	2,489,529	42,063	-	42,063	
	PGIM Money Market Fund		"	6,086,183	99,980	-	99,980	
	FSITC Taiwan Money Market Fund		"	5,064,407	80,553	-	80,553	
Subordinate company - Concord System Corporation	<u>Mutual funds</u> FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	2,207,470	35,112	-	35,112	
	Taishin 1699 Money Market Fund		"	711,815	10,031	-	10,031	
	Taishin Ta-Chong Money Market Fund		"	1,899,593	28,043	-	28,043	
	UPAMC James Bond Money Market Fund		"	1,155,936	20,028	-	20,028	
Subordinate company - UniXecure Corporation	<u>Mutual funds</u> Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	1,420,991	20,026	-	20,026	
	Taishin Ta-Chong Money Market Fund		"	2,377,624	35,100	-	35,100	
Subordinate company - Smartsys Technology Corporation	<u>Mutual funds</u> UPAMC James Bond Money Market Fund		Financial assets at FVTPL - current	698,438	12,101	-	12,101	
Subordinate company - Softmobile Technology Corporation	<u>Mutual funds</u> Capital Money Market Fund		Financial assets at FVTPL - current	1,800,566	30,173	-	30,173	
Subordinate company - Systex Software & Service Corporation	<u>Mutual funds</u> Union Money Market Fund		Financial assets at FVTPL - current	1,465,875	20,104	-	20,104	
	Taishin 1699 Money Market Fund		"	1,422,839	20,052	-	20,052	
Subordinate company - Systex Solutions Corporation	<u>Mutual funds</u> SinoPac TWD Money Market Fund		Financial assets at FVTPL - current	108,321	20,044	-	20,044	
	Yuanta Wan-Tai Money Market Fund		"	5,904,588	92,789	-	92,789	
	Yuanta De-Li Money Market Fund		"	3,556,043	60,240	-	60,240	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Subordinate company - Top Information Technologies Corporation	<u>Mutual funds</u> Hua Nan Phoenix Money Market Fund Taishin Ta-Chong Money Market Fund		Financial assets at FVTPL - current	1,490,215	\$ 25,179	-	\$ 25,179	
			"	1,705,937	25,184	-	25,184	
Subordinate company - Dawning Technology Inc.	<u>Mutual funds</u> Taishin 1699 Money Market Fund Taishin Ta-Chong Money Market Fund		Financial assets at FVTPL - current	1,424,479	20,075	-	20,075	
			"	678,840	10,022	-	10,022	

Note 1: The securities mentioned in this table above are those classified as financial instruments under IFRS 9, including shares, bonds, mutual funds, and all other securities derived from those items.

Note 2: The carrying amount includes the unamortized bond premium of \$1,502 thousand generated from acquiring the bonds from the Corporation and Ching Pu Investment Corporation. In preparing the consolidated financial statements, the amount was eliminated.

Note 3: Refer to Tables 9 and 10 for information on investment in subsidiaries and associates.

(Concluded)

TABLE 5

SYSTEX CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount (Note 1)	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount (Note 2)	Gain on Disposal (Note 2)	Number of Shares	Amount (Note 1)
Controlling company - Systex Corporation	<u>Mutual funds</u> CTBC Huaying Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	35,195,343	\$ 400,000	35,195,343	\$ 400,332	\$ 400,000	\$ 332	-	\$ -
	Fuh Hwa Money Market Fund	"	-	-	-	-	26,949,858	400,000	26,949,858	400,301	400,000	301	-	-
	FSITC Money Market Fund	"	-	-	-	-	4,342,040	800,000	4,342,040	800,551	800,000	551	-	-
	UPAMC James Bond Money Market Fund	"	-	-	-	-	34,827,651	600,000	34,827,651	600,782	600,000	782	-	-
Subordinate company - Hanmore Investment Corporation	<u>Ordinary shares</u> Systex Corporation	Financial assets at FVTOCI - non-current	-	-	21,316,678	2,387,468	-	-	21,316,678	2,611,398	738,426	1,872,972	-	-
	<u>Mutual funds</u> PineBridge Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	23,367,674	330,000	-	-	-	-	23,367,674	330,000
	Fuh Hwa Money Market Fund	"	-	-	-	-	40,193,195	600,000	-	-	-	-	40,193,195	600,000
	PGIM Money Market Fund	"	-	-	-	-	30,451,783	500,000	-	-	-	-	30,451,783	500,000
	FSITC Taiwan Money Market Fund	"	-	-	-	-	31,450,695	500,000	-	-	-	-	31,450,695	500,000
	FSITC Money Market Fund	"	-	-	-	-	2,703,302	500,000	-	-	-	-	2,703,302	500,000
Subordinate company - Ching Pu Investment Corporation	<u>Ordinary shares</u> Systex Corporation	Financial assets at FVTPL - non-current	-	-	10,981,476	1,229,925	-	-	10,981,476	1,345,285	212,239	1,133,046	-	-
	<u>Mutual funds</u> Hua Nan Kirin Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	40,270,294	500,000	-	-	-	-	40,270,294	500,000

Note 1: Financial assets are classified as at FVTPL, the ending balances are measured at acquisition cost, excluding adjustment for fair value.

Note 2: The carrying cost of shares of the Corporation disposed of by Hanmore and Ching Pu represents the original acquisition cost before revaluation adjustments. The gain on disposal was not recognized in profit or loss but was directly transferred to retained earnings.

TABLE 6

SYSTEX CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)	
			Purchase/ Sale	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% of Total
Controlling company - Systex Corporation	Systex Software & Service Corporation Dawning Technology Inc. Palsys Digital Technology Corporation	Subsidiary	Purchase	\$ 500,007	11	78 days after transaction month	\$ -	-	\$ (204,741)	14
		Subsidiary	Purchase	131,908	3	78 days after transaction month	-	-	(54,556)	4
		Subsidiary	Purchase	233,675	5	78 days after transaction month	-	-	(38,111)	3
Subordinate company - Systex Software & Service Corporation	Systex Corporation Dawning Technology Inc.	Parent company	Sale	(500,007)	7	78 days after transaction month	-	-	204,741	17
		Associate	Purchase	146,933	2	78 days after transaction month	-	-	(120,298)	10
Subordinate company - Dawning technology Inc.	Systex Corporation Systex Software & Service Corporation	Parent company	Sale	(131,908)	6	78 days after transaction month	-	-	54,556	6
		Associate	Sale	(146,933)	6	78 days after transaction month	-	-	120,298	12
Subordinate company - Palsys Digital Technology Corporation	Systex Corporation Concord System Management Corporation	Parent company	Sale	(233,675)	14	78 days after transaction month	-	-	38,111	9
		Associate	Sale	(410,960)	25	78 days after transaction month	-	-	31,250	8
Subordinate company - Concord System Management Corporation	Palsys Digital Technology Corporation	Associate	Purchases	410,960	31	78 days after transaction month	-	-	(31,250)	11
Subordinate company - Systex Group (China) Ltd.	Systex Ucom (Shanghai) Information Ltd. Co.	Associate	Purchase	155,110	7	120 days after transaction month	-	-	(42,511)	7
Subordinate company - Systex Ucom (Shanghai) Information Ltd. Co.	Systex Group (China) Ltd.	Associate	Sale	(155,110)	70	120 days after transaction month	-	-	42,511	44
Subordinate company - Rainbow Tech Information (HK) Corporation	Systex Information (HK) Corporation	Associate	Purchase	245,438	63	30 days after transaction month	-	-	(57,764)	48
Subordinate company - Systex Information (HK) Corporation	Rainbow Tech Information (HK) Corporation	Associate	Sale	(245,438)	22	30 days after transaction month	-	-	57,764	17

Note: In preparing the consolidated financial statements, the transactions were eliminated.



**TABLE 7**

**SYSTEX CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**  
**SEPTEMBER 30, 2024**  
**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Subordinate company - System Software & Service Corporation Dawning Technology Inc.	System Corporation System Software & Service Corporation	Parent company (Note) Associate (Note)	\$ 204,741 120,298	1.14 2.82	\$ -	-	\$ 102,153 13,025	\$ - -
					-	-		

Note: In preparing the consolidated financial statements, the transaction has been eliminated.

TABLE 8

SYSTEX CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Systex Corporation	Systex Software & Service Corporation	a	Sales	\$ 66,436	Net 78 days	-
		Systex Software & Service Corporation	a	Cost of goods sold	500,007	Net 78 days	2
		Systex Software & Service Corporation	a	Service cost	2,383	Net 78 days	-
		Systex Software & Service Corporation	a	Receivables from related parties	31,685	Net 78 days	-
		Systex Software & Service Corporation	a	Payables to related parties	204,741	Net 78 days	1
		Syspower Corporation	a	Sales	17,789	Net 78 days	-
		Syspower Corporation	a	Receivables from related parties	11,263	Net 78 days	-
		Concord System Management Corporation	a	Sales	63,880	Net 78 days	-
		Concord System Management Corporation	a	Receivables from related parties	24,464	Net 78 days	-
		Systex Solutions Corporation	a	Sales	9,032	Net 78 days	-
		Systex Solutions Corporation	a	Cost of goods sold	3,023	Net 78 days	-
		Systex Solutions Corporation	a	Service cost	4,627	Net 78 days	-
		Systex Solutions Corporation	a	Receivables from related parties	7,117	Net 78 days	-
		Systex Solutions Corporation	a	Payables to related parties	3,858	Net 78 days	-
		Softmobile Technology Corporation	a	Cost of goods sold	5,395	Net 78 days	-
		Softmobile Technology Corporation	a	Service cost	31,958	Net 78 days	-
		Softmobile Technology Corporation	a	Receivables from related parties	2,146	Net 78 days	-
		Softmobile Technology Corporation	a	Payables to related parties	10,313	Net 78 days	-
		Systex Fintech Corporation	a	Sales	11,697	Net 78 days	-
		Systex Fintech Corporation	a	Service cost	5,826	Net 78 days	-
		Systex Fintech Corporation	a	Receivables from related parties	25,197	Net 78 days	-
		Taifon Computer Co., Ltd.	a	Sales	2,877	Net 78 days	-
		Taifon Computer Co., Ltd.	a	Receivables from related parties	3,356	Net 78 days	-
		Top Information Technologies Co., Ltd.	a	Sales	5,566	Net 78 days	-
		Top Information Technologies Co., Ltd.	a	Service cost	4,024	Net 78 days	-
		Top Information Technologies Co., Ltd.	a	Receivables from related parties	4,586	Net 78 days	-
		Dawning Technology Inc.	a	Cost of goods sold	131,908	Net 78 days	-
		Dawning Technology Inc.	a	Payables to related parties	54,556	Net 78 days	-
		Naturint Corporation	a	Service cost	18,313	Net 78 days	-
		Naturint Corporation	a	Payables to related parties	5,821	Net 78 days	-
		Palsys Digital Technology Corporation	a	Sales	3,865	Net 78 days	-
		Palsys Digital Technology Corporation	a	Cost of goods sold	233,675	Net 78 days	1
		Palsys Digital Technology Corporation	a	Service cost	11,955	Net 78 days	-
		Palsys Digital Technology Corporation	a	Receivables from related parties	5,820	Net 78 days	-
		Palsys Digital Technology Corporation	a	Payables to related parties	38,111	Net 78 days	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
		UniXecure Corporation	a	Sales	\$ 2,284	Net 78 days	-
		UniXecure Corporation	a	Cost of goods sold	26,258	Net 78 days	-
		UniXecure Corporation	a	Service cost	14,200	Net 78 days	-
		UniXecure Corporation	a	Receivables from related parties	4,595	Net 78 days	-
		UniXecure Corporation	a	Payables to related parties	6,151	Net 78 days	-
		Docutek Solutions, Inc.	a	Cost of goods sold	16,388	Net 78 days	-
		Docutek Solutions, Inc.	a	Payables to related parties	8,673	Net 78 days	-
		MISYS Corporation	a	Sales	3,594	Net 78 days	-
		MISYS Corporation	a	Receivables from related parties	2,295	Net 78 days	-
1	System Software & Service Corporation	System Solutions Corporation	b	Sales	2,652	Net 78 days	-
		System Solutions Corporation	b	Service cost	4,019	Net 78 days	-
		System Solutions Corporation	b	Payables to related parties	2,643	Net 78 days	-
		Softmobile Technology Corporation	b	Service cost	7,655	Net 78 days	-
		Softmobile Technology Corporation	b	Payables to related parties	4,215	Net 78 days	-
		Taifon Computer Co., Ltd.	b	Sales	5,106	Net 78 days	-
		Taifon Computer Co., Ltd.	b	Receivables from related parties	4,421	Net 78 days	-
		Dawning Technology Inc.	b	Cost of goods sold	146,933	Net 78 days	1
		Dawning Technology Inc.	b	Payables to related parties	120,298	Net 78 days	-
		Palsys Digital Technology Corporation	b	Cost of goods sold	52,840	Net 78 days	-
		Palsys Digital Technology Corporation	b	Service cost	3,845	Net 78 days	-
		Palsys Digital Technology Corporation	b	Payables to related parties	24,580	Net 78 days	-
		UniXecure Corporation	b	Cost of goods sold	11,674	Net 78 days	-
		UniXecure Corporation	b	Service cost	14,230	Net 78 days	-
		UniXecure Corporation	b	Payables to related parties	2,690	Net 78 days	-
		System Group (China) Ltd.	b	Sales	27,322	Net 90 days	-
		System Group (China) Ltd.	b	Receivables from related parties	16,625	Net 90 days	-
		System Rainbow Tech Inc.	b	Sales	7,610	Net 90 days	-
		System Rainbow Tech Inc.	b	Receivables from related parties	7,069	Net 90 days	-
		System Information (Shanghai) Corporation	b	Sales	3,016	Net 90 days	-
2	Syspower Corporation	System Solutions Corporation	b	Service cost	3,306	Net 78 days	-
		System Solutions Corporation	b	Payables to related parties	2,002	Net 78 days	-
		Palsys Digital Technology Corporation	b	Cost of goods sold	8,272	Net 78 days	-
		Naturint Corporation	b	Operating expense	3,393	Net 78 days	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
3	Concord System Management Corporation	Top Information Technologies Co., Ltd.	b	Service cost	\$ 2,565	Net 78 days	-
		Palsys Digital Technology Corporation	b	Cost of goods sold	410,960	Net 78 days	1
		Palsys Digital Technology Corporation	b	Service cost	21,389	Net 78 days	-
		Palsys Digital Technology Corporation	b	Payables to related parties	31,250	Net 78 days	-
		Docutek Solutions, Inc.	b	Cost of goods sold	3,565	Net 78 days	-
		Syscore Corporation	b	Interest expense	614	Short-term financing, with a term of one year	-
4	Systex Solutions Corporation	Dawning Technology Inc.	b	Cost of goods sold	17,522	Net 78 days	-
		Dawning Technology Inc.	b	Payables to related parties	14,456	Net 78 days	-
		Palsys Digital Technology Corporation	b	Cost of goods sold	6,759	Net 78 days	-
		Palsys Digital Technology Corporation	b	Payables to related parties	6,836	Net 78 days	-
		UniXecure Corporation	b	Cost of goods sold	6,020	Net 78 days	-
		UniXecure Corporation	b	Service cost	15,586	Net 78 days	-
		UniXecure Corporation	b	Payables to related parties	11,556	Net 78 days	-
5	Softmobile Technology Corporation	Top Information Technologies Co., Ltd.	b	Sales	3,764	Net 78 days	-
		Top Information Technologies Co., Ltd.	b	Receivables from related parties	2,940	Net 78 days	-
6	Systex Fintech Corporation	Dawning Technology Inc.	b	Cost of goods sold	6,191	Net 78 days	-
		Palsys Digital Technology Corporation	b	Cost of goods sold	3,405	Net 78 days	-
		Palsys Digital Technology Corporation	b	Payables to related parties	3,290	Net 78 days	-
7	Taifon Computer Co., Ltd.	Dawning Technology Inc.	b	Cost of goods sold	21,793	Net 78 days	-
		Dawning Technology Inc.	b	Payables to related parties	9,213	Net 78 days	-
		Palsys Digital Technology Corporation	b	Cost of goods sold	2,930	Net 78 days	-
8	Top Information Technologies Co., Ltd.	Palsys Digital Technology Corporation	b	Cost of goods sold	29,332	Net 78 days	-
		Palsys Digital Technology Corporation	b	Payables to related parties	25,830	Net 78 days	-
		MISYS Corporation	b	Service cost	31,222	Net 78 days	-
		MISYS Corporation	b	Payables to related parties	3,682	Net 78 days	-
9	Syscore Corporation	UniXecure Technology Corporation	b	Receivables from related parties (including interest receivables)	50,213	Short-term financing, with a term of one year	-
		UniXecure Technology Corporation	b	Interest revenue	213	Short-term financing, with a term of one year	-
10	Palsys Digital Technology Corporation	UniXecure Technology Corporation	b	Payables to related parties	2,071	Net 78 days	-
11	UniXecure Technology Corporation	Docutek Solutions, Inc.	b	Sales	5,040	Net 78 days	-
		Docutek Solutions, Inc.	b	Cost of goods sold	22,876	Net 78 days	-
		Docutek Solutions, Inc.	b	Payables to related parties	5,136	Net 78 days	-
12	Docutek Solutions, Inc.	Docutek Services Corporation	b	Service cost	7,300	Net 78 days	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
13	Systex Group (China) Ltd.	Systex Rainbow Tech Inc.	b	Interest revenue	\$ 2,146	Short-term financing, with a term of one year	-
		Systex Rainbow Tech Inc.	b	Service cost	7,259	Net 120 days	-
		Systex Rainbow Tech Inc.	b	Receivables from related parties (including interest receivables)	76,784	Short-term financing, with a term of one year	-
		Systex Rainbow Tech Inc.	b	Payables to related parties	7,259	Net 120 days	-
		Systex Rainbow (Shanghai) Tech Inc	b	Cost of goods sold	2,211	Net 120 days	-
		Systex Rainbow (Shanghai) Tech Inc	b	Service cost	4,779	Net 120 days	-
		Systex Rainbow (Shanghai) Tech Inc	b	Payables to related parties	6,954	Net 120 days	-
		Systex Ucom (Shanghai) Information Ltd. Co.	b	Sales	34,690	Net 120 days	-
		Systex Ucom (Shanghai) Information Ltd. Co.	b	Cost of goods sold	155,110	Net 120 days	1
		Systex Ucom (Shanghai) Information Ltd. Co.	b	Receivables from related parties	11,916	Net 120 days	-
		Systex Ucom (Shanghai) Information Ltd. Co.	b	Payables to related parties	42,511	Net 120 days	-
		Rainbow Tech Information (HK) Corporation	b	Cost of goods sold	5,805	Net 30 days	-
14	Systex Rainbow Tech Inc.	Systex Rainbow (Shanghai) Tech Inc	b	Sales	51,512	Net 120 days	-
		Systex Rainbow (Shanghai) Tech Inc	b	Receivables from related parties	39,463	Net 120 days	-
15	Systex Information (HK) Ltd.	Rainbow Tech Information (HK) Corporation	b	Sales	396,992	Net 30 days	1
		Rainbow Tech Information (HK) Corporation	b	Receivables from related parties	63,842	Net 30 days	-
		Kimo.com (BVI) Corporation	b	Acquisition of investments accounted for using the equity method (QFPay Haojin FinTech Limited and Spread-it Limited)	125,521	As agreed conditions	-

Note 1: The method of filling in the number:

- a. Parent is numbered 0.
- b. Subsidiaries are sequentially numbered starting from 1.

Note 2: Categories of relationships:

- a. Parent to subsidiary.
- b. Between subsidiaries.

Note 3: Percentage of transaction amount to total consolidated operating revenue or assets is calculated as follows:

For balance sheet accounts: Transaction amount ÷ Total consolidated assets

For income statement accounts: Accumulated transaction amount in current period ÷ Total consolidated operating revenues.

(Concluded)

TABLE 9

SYSTEX CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Systex Corporation	Systex Infopro Co., Ltd.	Thailand	Sale of computer and peripheral equipment	\$ 2,200	\$ 2,200	20,000	20.00	\$ 4,035	\$ -	\$ -	-
	Hanmore Investment Corporation	Taiwan	General investment activities	47,125	47,125	9,640,680	48.92	1,257,402	110,827	(10)	Subsidiary (1)
	Ching Pu Investment Corporation	Taiwan	General investment activities	30,775	30,775	23,437,500	100.00	1,753,005	91,671	35,131	Subsidiary (1)
	Concord System Management Corporation	Taiwan	Design, assessment and planning of computer system and application software and data-processing system, sale and lease of computer hardware, peripheral equipment and spare parts, and repairs and maintenance services	485,393	485,393	30,413,372	100.00	629,525	94,865	92,150	Subsidiary (1)
	Systemweb Technologies Co.	Taiwan	Data storage media units manufacturing, installation of computer, and sale and development of computer software	86,950	86,950	3,245,000	32.45	33,022	(57,048)	(17,975)	-
	Taifon Computer Co., Ltd.	Taiwan	Design of computer hardware and software equipment system, computer room installation, and maintenance, sale, lease and consultation	220,310	220,310	20,000,000	100.00	320,481	47,334	47,243	Subsidiary (1)
	Sanfran Technologies Inc.	Taiwan	Maintenance and warranty of equipment of internet and information security, and consultation on network infrastructure and information security	20,067	20,067	3,770,880	12.26	62,399	62,034	11,841	-
	Golden Bridge Corporation	Taiwan	General investment activities	230,000	230,000	23,000,000	100.00	300,350	38,038	33,013	Subsidiary (1)
	Systex Software & Service Corporation	Taiwan	Sale and development of computer software, data-processing services	450,000	450,000	54,450,000	100.00	1,241,011	382,588	382,119	Subsidiary (1)
	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	15,195	15,195	1,096,200	4.67	21,454	42,981	2,040	Subsidiary (1)
	Systex Solutions Corporation	Taiwan	Design, construction and sale of telecom instrument, electronic calculator and computer	260,000	260,000	26,000,000	100.00	336,327	45,275	45,284	Subsidiary (1)
	Systex Fintech Corporation	Taiwan	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	290,500	290,500	13,996,500	63.73	256,272	20,175	5,999	Subsidiary (1)
	Systex Capital Group, Inc.	British Virgin Island	Investment activities including financial trust and holding	91,695	91,695	550	100.00	2,757,630	115,527	115,405	Subsidiary (1)
	Kimo.com (BVI) Corporation	British Virgin Island	Investment activities including financial trust and holding	13,185	13,185	500,000	100.00	4,514,904	180,667	179,048	Subsidiary (1)
	Naturint Corporation	Taiwan	Installation, sale, information software, data processing and other consultation on computer software and related equipment, network certification and software publication	20,000	20,000	2,000,000	100.00	7,575	(5,993)	(5,993)	Subsidiary (1)
	FinRobo Advisor Securities Investment Consulting Co., Ltd.	Taiwan	Securities investment advisor	23,272	23,272	1,500,000	30.00	4,822	(4,239)	(1,272)	-
	Mohist Web Technology Co.	Taiwan	Merchandise gift certificate automatic distribution system, in-time trust electronic (paper) ticket automated sales system, and integrated mobile payment platform	25,600	25,600	400,000	40.00	10,932	1,236	479	-

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
	Frog-jump Information Co., Ltd.	Taiwan	Information software service	\$ 18,969	\$ 18,969	913,202	10.00	\$ 14,436	\$ 18,070	\$ 2,147	-
	GenSys Technology (International) Ltd.	Hong Kong	Design, assessment and planning of computer system and application software and data-processing system	31,640	31,640	8,000,000	33.60	-	(3,403)	-	-
	Genesis Technology Inc.	Taiwan	Wholesale of electronic apparatus, electronic equipment, computer and computer peripheral equipment, planning, analyzing and design of system, other data processing, co-location and internet hosting services	798,172	798,172	27,693,289	27.82	1,220,444	313,979	65,199	-
	E-Service Information Corporation	Taiwan	Information software service, intellectual property rights, printing and data storage media manufacturing and copying	89,500	89,500	8,000,000	100.00	98,231	6,691	6,076	Subsidiary (1)
	Bao Ruh Electronic Co., Ltd.	Taiwan	Manufacturing and sale of ticket system equipment, e-payment machine, IC electronic card, vehicle trip recorder, satellite position system, access control system	128,363	128,363	4,339,500	29.72	97,301	78,032	22,944	-
	Taiwan Information Service Technology Corporation	Taiwan	Installation, sale, information software, data processing and other consultation on computer software and related equipment	89,965	89,965	16,630	67.38	42,129	4,645	3,130	Subsidiary (1)
	Collaboration Co., Ltd.	Taiwan	General investment activities	200,015	200,015	6,160,000	44.55	194,190	17,461	4,501	-
	UniXecure Corporation	Taiwan	Design, construction and sale of telecom instrument, electronic calculator and computer	150,000	150,000	15,000,000	100.00	85,768	(23,745)	(22,994)	Subsidiary (1)
	Docutek Solutions, Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	286,000	286,000	7,568,413	54.92	295,188	103,520	53,405	Subsidiary (1)
	MISYS Corporation	Taiwan	Information software service	100,000	100,000	10,000,000	100.00	19,161	(33,785)	(33,785)	Subsidiary (1)
	Systex Vietnam Company Limited	Vietnam	Computer programming, software consulting and system consulting services, information technology service activities and other computer-related services, data processing leasing and related activities, management information services	9,675	-	-	100.00	9,688	(164)	(164)	Subsidiary (1)
	Neweb Information Co., Ltd.	Taiwan	Data Center Setup and Maintenance Services, System Integration and Maintenance Services, Cloud System Integration Services, System and Database Management and Maintenance, Storage Backup and Disaster Recovery Services, Network and Information Security Implementation and Consulting	140,375	-	1,949,647	15.91	141,828	46,126	1,454	-
Ching Pu Investment Corporation	Taiwan Electronic Data Processing Corporation	Taiwan	Design, installation, maintenance, lease and consultation on computer software and hardware equipment system, computer room engineering, network equipment system integration, and wholesale and retailing of medical appliances	155,131	155,131	2,698,643	69.59	25,137	76	-	Subsidiary (1)
	Investment Media Ltd.	Taiwan	Magazine and book publishing	95,600	95,600	4,000,000	40.00	89,235	19,282	-	-
	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	162,789	162,789	9,052,889	38.60	177,226	42,981	-	Subsidiary (1)

(Continued)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Golden Bridge Corporation	Syspower Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	\$ 189,023	\$ 189,023	10,331,022	44.05	\$ 202,247	\$ 42,981	\$ -	Subsidiary (1)
	Softmobile Technology Corporation	Taiwan	Manufacturing of wire communication equipment and apparatus, electronic parts and components, and computers and peripheral equipment, installation of computer, and wholesale and retailing of computer and business machinery equipment	80,000	80,000	3,661,875	100.00	72,273	18,960	-	Subsidiary (1)
Syscore Corporation	Syslink Corporation	Taiwan	General investment activities	1,400,000	1,400,000	140,000,000	100.00	1,416,657	38,816	-	Subsidiary (1)
	Syslong Corporation	Taiwan	General investment activities	250,000	250,000	25,000,000	100.00	254,686	2,742	-	Subsidiary (1)
	Neweb Information Co., Ltd.	Taiwan	Setup and maintenance of computer room, maintenance and setup of system integration, cloud system integration service, management and maintenance of system and database, backup storage service, setup and consultation of internet and information security	98,530	103,638	3,452,877	28.17	69,328	46,126	-	-
	Fuco Technology Co., Ltd.	Taiwan	Printing, printed matter binding and processing, and wholesale of computers and peripheral equipment	43,460	43,460	1,640,000	40.00	24,174	8,356	-	-
	Genesis Technology Inc.	Taiwan	Wholesale of electronic apparatus, electronic equipment, computer and computer peripheral equipment, planning, analyzing and design of system, other data processing, co-location and internet hosting services	71,994	71,994	3,906,996	3.92	168,915	313,979	-	-
Syslink Corporation	Smartsys Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	15,000	15,000	1,500,000	50.00	12,172	125	-	Subsidiary (1)
	Syswiser Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	10,000	10,000	1,000,000	100.00	2,193	(1,815)	-	Subsidiary (1)
	Caresys Information, Inc.	Taiwan	Software design and data processing, Electronic Information Service Industry, Wholesale of Computers and Office Machinery, Wholesale of Software, Wholesale of Telecommunication Equipment, Wholesale of Electronic Materials	162,417	-	1,400,000	70.00	166,871	26,220	-	Subsidiary (1)
	Palsys Digital Technology Corporation	Taiwan	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	272,351	272,351	24,794,862	79.26	306,301	8,437	-	Subsidiary (1)
	Dawning Technology Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	743,963	743,963	32,608,896	91.60	671,764	30,083	-	Subsidiary (1)
Concord System Management Corporation	Top Information Technologies Co., Ltd.	Taiwan	Sale of computer peripheral equipment and office machines, design of computer system and professional repairs services	152,608	152,608	18,000,000	100.00	196,368	738	-	Subsidiary (1)

(Continued)



Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2024	December 31, 2023	Number of Shares	Ratio (%)	Carrying Amount			
Kimo.com (BVI) Corporation	Systex Information (HK) Ltd.	Hong Kong	Sale of computer and peripheral equipment, retailing and processing of information of software	\$ 1,081,457	\$ 1,081,457	262,336,600	100.00	\$ 1,077,728	\$ 33,528	\$ -	Subsidiary (1)
	Systex Solutions (HK) Limited	Hong Kong	Investment activities including financial trust and holding	316,050	316,050	10,400,000	100.00	378,887	13,444	-	Subsidiary (1)
	Rainbow Tech Information (HK) Ltd.	Hong Kong	Sale of computer and peripheral equipment, retailing and processing of information of software	114,690	114,690	27,426,823	92.00	165,338	31,151	-	Subsidiary (1)
	Syscore Corporation	Taiwan	General investment activities	1,600,000	1,600,000	160,000,000	55.17	2,050,532	178,821	-	Subsidiary (1)
	Gemini Data	Japan	IT services, software development, wholesale and retail of computers and related equipment, electronic data processing and related services	24,485	24,485	11,000	100.00	3,827	(11,808)	-	Subsidiary (1)
	QFPay Haojin FinTech Limited	Hong Kong	Online and offline mobile payment, one-stop smart collection and trade, Information Technology Services	-	143,350	-	-	-	3,124	-	-
	Spread-it Limited	Hong Kong	Social Media Marketing	-	2,959	-	-	-	2,477	-	-
	Aillumission Co., Ltd.	Japan	Mobile Network Construction, ICT infrastructure Construction, DX/ICT solution services, AI consultations	106,435	106,435	200	20.00	16,504	(993)	-	-
Systex Information (HK) Ltd.	QFPay Haojin FinTech Limited	Hong Kong	Online and offline mobile payment, one-stop smart collection and trade, Information Technology Services	143,350	-	85,834	28.61	116,242	3,124	-	-
	Spread-it Limited	Hong Kong	Social Media Marketing	2,959	-	85,834	28.61	10,450	2,477	-	-
Systex Capital Group, Inc.	Syscore Corporation	Taiwan	General investment activities	1,300,000	1,300,000	130,000,000	44.83	1,666,057	178,821	-	Subsidiary (1)
Dawning Technology Inc.	Neo Trend Tech Corporation	Taiwan	Cable installation engineering, other computer-related service, circuit engineering, and wireless communication service	-	20,000	-	-	-	(4,472)	-	-
Systex Software & Service Corporation	Smartsys Technology Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	15,000	15,000	1,500,000	50.00	12,172	125	-	Subsidiary (1)
Docutek Solutions, Inc.	ANSecurity Inc.	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	-	10,000	-	-	-	2,981	-	Subsidiary (1, 2)
ANSecurity Inc.	Docutek Services Corporation	Taiwan	Design, installation and maintenance of computer information and communication engineering, and design and sale of computer system software	-	5,800	-	-	-	3,415	-	Subsidiary (1, 2)
Syslong Corporation	Neweb Information Co., Ltd.	Taiwan	Setup and maintenance of computer room, maintenance and setup of system integration, cloud system integration service, management and maintenance of system and database, backup storage service, setup and consultation of internet and information security	37,630	-	518,041	4.23	38,459	46,126	801	

Note 1: In preparing the consolidated financial statements, the transaction has been eliminated.

Note 2: Docutek Solutions, ANSecurity, and Docutek Services completed their merger in September 2024. Docutek Solutions stands as the surviving entity, while ANSecurity and Docutek Services is designated as the dissolved company.

Note 3: Refer to Table 10 for information on investments in Mainland China.

(Concluded)

TABLE 10

SYSTEX CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 30, 2024	Note
					Outward	Inward							
Changzhou Xinguotai Information Equipment Co., Ltd.	Manufacture, service and sales of software and computer-related products	\$ 21,198	a	\$ 2,780	\$ -	\$ -	\$ 2,780	\$ -	9.10	\$ -	\$ -	\$ -	-
Systek Information (Shanghai) Ltd.	Sale of computer and peripheral equipment, retailing and processing of information software	960,402	b	960,402	-	-	960,402	(4,228)	100.00	(4,228)	184,532	-	Subsidiary (Note 2)
Systex Group (China) Ltd.	Management consultation, marketing and sale, and capital and operation financial management	512,150	b	512,150	-	-	512,150	(40,259)	100.00	(40,259)	349,111	-	Subsidiary (Note 2)
Systex Rainbow Tech Inc.	Research, development, installation and wholesale of software and hardware technique and internet system	-	b	-	-	-	-	11,190	100.00	11,190	325,496	-	Subsidiary (Note 2)
Systex Ucom (Shanghai) Information Ltd. Co.	Software design and data processing, retailing and service of software	-	b	-	-	-	-	(16,733)	100.00	(16,733)	23,173	-	Subsidiary (Note 2)
Sunlight-tech Inc.	Manufacture of Internet-related software and hardware systems, video service systems, audio and video on-demand systems, multimedia and network video equipment	551,210	b	220,484	-	-	220,484	-	40.00	-	-	-	-
Shanghai Mudao Financial Information Service Co., Ltd.	Financial information services, computer software development and technology development, technology transfer, technology consulting, technical services, consulting and research in market information, asset management, supply chain management, investment management, investment consulting, business information consulting, financial consulting in the fields of computer technology, information technology and data technology.	14,504	b	-	-	-	-	(644)	29.62	-	-	-	-
Systex Rainbow (Shanghai) Tech Inc.	Research, development, installation and wholesale of software and hardware technique and internet system	-	b	-	-	-	-	(16,653)	100.00	(16,653)	(11,183)	-	Subsidiary (Note 2)

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$1,695,816	\$1,920,903	\$10,411,406

(Continued)

Note 1: The methods of investment are as follows:

- a. Investment in China through remittances from third regions.
- b. Reinvestment in China through the third-region investment companies.

Note 2: In preparing the consolidated financial statements, the transaction were eliminated.

(Concluded)

**TABLE 11****SYSTEX CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Taiwan Mobile Co., Ltd.	32,298,154	11.86

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.